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East Asia

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Draft Accord of World Trade Body Reported

*OW2463052194 Tokyo KYODO in English 0504 GMT
24 Mar 94*

[Text] Geneva, March 23 KYODO—The successor to GATT, the World Trade Body, will set up a panel on trade and the environment, according to a draft accord obtained Wednesday. The draft, obtained by KYODO NEWS SERVICE, says the panel's job will include examining links between trade and the environment, charges and taxes for environmental purposes, and ways of settling disputes.

Negotiators are to meet in April in Marrakesh, Morocco, to sign the final accord on the Uruguay Round of multilateral trade talks.

The seven-year talks were concluded in December, when it was provisionally agreed to replace the General Agreement on Tariffs and Trade, under whose auspices they were held, with a World Trade Organization (WTO).

Despite a proposal that panels to be set up by the WTO should include one on the environment, developing countries were concerned that industrial countries might use environmental concerns as an excuse to adopt protectionist measures.

In an apparent bid to ease such concerns, the panel's remit will include looking at the effect of environmental measures on market access, sources close to the negotiators said.

The committee will report to a ministerial meeting after two years, and that meeting will decide whether the panel should be kept or disbanded, the draft shows.

The sources said the draft will be confirmed at the trade negotiation committee of GATT next Wednesday, and will be formally signed by ministers of the negotiating countries in Marrakesh.

Gorbachev Arrives in Seoul for Peace Conference

*SK2503083194 Seoul YONHAP in English 0734 GMT
25 Mar 94*

[Text] Seoul, March 25 (YONHAP)—Former Soviet President Mikhail Gorbachev arrived in Seoul Friday for a peace conference attended by well-known names from previous administrations the world over.

Gorbachev, who will be in South Korea for seven days, has an itinerary including a speech at the second world peace conference March 27-29 sponsored by the Washington-based World Peace Federation. He will meet South Korean Prime Minister Yi Hoe-chang and House Speaker Yi Man-sop as well as other government officials. He will deliver another speech at the National Assembly Hall on March 28 before leaving on March 31.

Former British Prime Minister Edward Heath and Former Brazilian President Jose Sarney are among the guests at the conference.

Hanoi Conference Discusses Spratlys, DPRK

*OW2603141494 Tokyo KYODO in English 1357 GMT
26 Mar 94*

[Text] Hanoi, March 26 KYODO—Some 50 former diplomats, politicians and academics from 15 countries Saturday [25 March] opened a three-day conference to explore steps to ease tensions over such trouble spots as the Korean peninsula and the Spratly Islands. Attendants at the annual Williamsburg Conference include representatives of Japan, China, Taiwan, Russia, South Korea, the United States and other countries.

Organizers said the agenda includes such sensitive issues as the sovereignty of the Spratly Islands, which are rich in natural resources, whose ownership is claimed, either in whole or in part, by China, Vietnam, Malaysia, Taiwan, the Philippines and Brunei.

The meeting is co-chaired by former U.S. Secretary of State Cyrus Vance and former Japanese Ambassador to Washington Yoshio Okawara and other officials. It marks the first time that Vietnam has hosted such a large-scale unofficial conference. The move followed the U.S. announcement February 3 to lift the trade embargo against Vietnam.

The sovereignty of the Spratly Islands is so fiercely contested that it triggered a brief naval battle in 1988 between Vietnam and China. The conference follows an accord between the two countries last December to reconcile their differences over the issue.

The Williamsburg Conference was first called in 1971 in Williamsburg, Virginia, under the initiative of John D. Rockefeller III.

'Text' of Mahathir's PECC Meeting Speech

*BK2503143594 Kuala Lumpur NEW STRAITS TIMES
in English 23 Mar 94 p 12*

["Text" of speech by Malaysian Prime Minister Dr. Mahathir Mohamed at the opening of the 10th International General Meeting of the Pacific Economic Co-operation Council in Kuala Lumpur on 22 March]

[Text] The economies that are represented here at the Pacific Economic Cooperation Council (PECC) have a total Gross National Product (GNP) of more than US\$12 trillion. This is two times bigger than the total GNP of the European Union. It is three times bigger than the total GNP of the rest of the world. No less than three-fifths of the wealth of the entire global community is generated by the economies represented in this room.

In purchasing power parity terms, the figures are even bigger. The United States is the world's largest economy. China is the world's second largest economy. Japan is the world's third largest economy. Indonesia is the 12th largest economy in the world.

It is a matter of historical record that every economy in Pacific Asia was not too long ago considered a domino or a domino-to-be. We were seen in the same way that so many countries in Africa are seen today. Economies with little hope. Beset by problems that obviously could never be solved, cultures that surely would weigh us down, handicaps that would inevitably reduce many of us to life with a begging bowl.

South Korea was seen in this light. Indonesia before the arrival of President Suharto was seen in this light. Thailand, Malaysia, Singapore, Hong Kong and even Japan. Even China. You name it. We were all, at one time or another during the post-war years, assumed to be societies with little hope.

Now, almost without exception, we are all regarded as dynamos.

Imagine the possibilities of a Pacific of such enormous verve and vitality, of such enormous wealth, of such enormous diversity, of such enormous talent, of such enormous synergistic potential! Imagine what we can do together—for ourselves and the rest of the world—if we can put our act together, if we can together build a true community of cooperative peace and mutual prosperity. A community worthy of the name of the Ocean whose waters lap our shores, worthy of the hard-working people who sweat and toil in the lands that rim the Pacific.

Some of us have been energised by the Pacific potential long before some of the present champions of the Pacific recognised the vitality of the super-region and awoke to its immense possibilities.

Malaysia was the first in ASEAN to join the Pacific Basin Economic Council (PBEC). In May this year, Malaysia will be hosting, with pride the International General Meeting of the PBEC, to which I am strongly

committed. For the last seven years, Kuala Lumpur has played host to the Asia Pacific Roundtable, a security forum which for the first time in Pacific history brought together all the friends and foes of the Pacific into a process of talking and reasoning together. In June this year, this attempt at community-building in the Asia Pacific will meet for the Eighth Asia Pacific Roundtable.

On this day, Malaysia is proud to host the 10th international conference of the Pacific Economic Co-operation Council. I have been informed that this is the most high-powered non-governmental international conference ever held in the Pacific.

I particularly welcome former President Aylwin of Chile and Prime Minister Goldenberg of Peru, the secretary general of UNCTAD [UN Conference on Trade and Development] and the deputy secretary general of the OECD—and all who have come from across this vast ocean.

I am a great respecter of what some have called "this vision thing". There is of course a great danger in grand idealism wedded to grand illusion. Great visions can sometimes get in the way of the day-to-day things that we must do today, that are urgent, that brook no delay.

But there is no virtue in activity without purpose. There can be little satisfaction in mileage without milestones and distance without a destination. There is no sense in getting quickly to places we do not want to go.

I am a Malaysian nationalist (something that some people do not like). As a Malaysian nationalist, in common with most Malaysians, I have a clear sense of direction and of directions for Malaysia.

I am also an Aseanist. Far too many ignorant people today underestimate ASEAN. It has been central to our post-colonial past. It will remain central to our future. Indeed, I confess without any sense of guilt that I will fight every impulse, contain every force and confront any danger that will damage or destroy the ASEAN family. For this, I make no apology. I express no reservation.

At the same time, I am a Southeast Asian and an East Asian. As a Southeast Asian, I am proud that we have, together, been able to turn a battleground into a marketplace. A Southeast Asian neighbourhood of warmth and friendship has to be tended and nourished.

As an East Asian, I am committed to the building of an East Asian community in which our common peace is cooperatively constructed and our common prosperity is cooperatively built, an East Asian community in which the giants of our region—China, Japan, Indonesia—shall have their rightful place, discharging their rightful responsibilities, all of us living in harmony in an egalitarian community of mutual respect and mutual benefit.

As a global citizen, my country must play an active role in the making of a new world community based on

egalitarianism, mutual respect and justice. We will do what has to be done, even if there is a price to be paid.

As a fervent believer in the need to enrich and strengthen Pacific interdependence and cooperation I also believe that the nations of the Pacific, the business enterprises of the Pacific, the intellectual leaders of the Pacific—all of us in the Pacific—each in our own way, should work hard to contribute to the making of a productive community of cooperative peace and prosperity in the Pacific.

There are two key words here. The first is "community". The second is "productive".

I believe that what we must build is a Pacific community that is robust and that will endure, not a temporary Pacific association of convenience, or a Pacific construct erected over a transient enthusiasm—or a Pacific club or organisation with a single purpose or interest, an appendage to someone, something that is here today and gone tomorrow.

In the jargon of sociology, the German word *gemeinschaft* is used to refer to a social relationship based on affection, kinship or a sense of community, "as within a family or a group of friends". The German word *gesellschaft*, on the other hand, is a relationship based on law, adherence to rules and regulations and to duty as within a structured organisation. I believe that what we must build is a Pacific *Gemeinschaft*, a Pacific village or family or group of friends, not an artificial, Cartesian construct—over-legalistic, over-structured and over-institutionalised.

If this is our vision, obviously we have more to learn from the patient wisdom of our traditional culture, the stamina of the long-distance runner and the simple brick-layer who builds a house brick by brick, than the philosophy of Rene Descartes and the most magical builder of the house of cards.

The eager and the enthusiastic have to understand the enormous diversity of the Asia Pacific. In some of our cultures, friends are made in the course of a day. But for most of us, given our cultures, it takes time to become true friends.

A dozen years ago, in the very early stages of the Pacific movement, at a conference on the Pacific in Bali, I stated: "Tak kenal, maka tak cinta." We did not yet know each other. How could we be expected to be firm friends? Over the years some strangers have begun to know each other much better. But there are new strangers who must be made our firm friends.

The eager and the enthusiastic have to understand that not so many months ago, some of us of the Pacific were prepared to throw megatons at each other, to kill hundreds of millions of each other's citizens.

Clearly, the Asia Pacific journey to full trust, empathy and respect is a journey of a thousand miles, with very

few safe short-cuts. There are no bullet trains. We must be prepared often to go on foot, despite the inconvenience.

So many ties have to be established, so many webs have to be weaved, so many chasms have to be bridged. The work—so full of frustrations—has to be done with patience and with persistence. Rome was not built in a day. A true Pacific community cannot be built in a decade. We must think in terms of decades. We must find the stamina to stay on the course.

We must understand at the same time that the building of a true community cannot be a monopoly of bureaucrats or Governments meeting intermittently. It can only be built by a million hands, working everyday and every hour of the day.

Indeed, right or wrong, it is the private sector, the business person pursuing growth and profit (not officials armed to the teeth with the best of intentions, laws, regulations, frameworks and authority, or politicians and statesmen who strut the great stage of international play) who have the greatest contribution to the making of the Pacific economic community. It is the intellectual and media leaders, like so many of you in the audience, who must help to build the needed community of the mind and of the heart.

APEC [Asia Pacific Economic Cooperation], properly structured, has of course a most important place and a most important role. But those APEC members who wish to measure the Pacific spirit and the Pacific commitment purely in terms of being macho on APEC, are misguided.

There is a role for PECC to play, for PBEC to play, for PAFTAD [expansion unknown] to play, for the ASEAN Regional Forum to play, for the ASEAN dialogue process to play, for all subregional forums to play.

We contribute to Pacific interdependence and community-building when we improve our bilateral relations. We contribute when we improve neighbourly relations and foster a peaceful neighbourhood and a flourishing one. All have to be part of this multi-layered, multi-dimensional process of Pacific community-building.

To ensure the "productive" community that we need, it is essential that we establish an egalitarian Pacific community, not a hegemonic Pacific community.

Let me say it for Malaysia: we cannot accept a Pax Sinica, we cannot accept a Pax Nipponica; we cannot accept a Pax Americana. Not now and not in the future. Instead, we believe in the establishment of a Pax Pacifica; a Pax without an imperium, without a protector, and without an overlord. We believe in an egalitarian community.

Most obviously, China is not Canada or Chile. Japan is not Hong Kong or Mexico. Even within the closest family, there are older brothers and sisters. Power and

size will have their inevitable play. But this must be within an egalitarian framework of mutual respect and mutual benefit.

Egalitarianism is not an illusion founded on departure from realities. Nor does it deny the need for leadership. The leaders must lead. But leadership, too, must be within the framework of mutual respect and mutual benefit.

I believe that it is also important to ensure a Pacific community that is democratic and consensual and that works on the basis of democratic and consensual principles—however frustrating democracy is; however, infuriatingly difficult consensus may sometimes be to secure.

We should also be strongly committed to the objective of making sure that the Pacific community that we build conforms to the imperatives of open regionalism. This of course is a central theme of this conference.

Before I proceed to say a few words on open regionalism, I hope we can all proceed on the same basic premise. Is there any doubt that the first best option is not open regionalism but open globalism?

This entire planet should be a single market place, a single trading bloc, with as few obstacles and distortions as possible to the freest and least managed exchange of goods and services. Can we not all agree that global free trade like democracy—with all the inherent imperfections—is by far the best option, ensuring the greatest good for the greatest number?

I used to think that we all agreed that the command economy makes economic nonsense in the international economic system, just as it makes economic nonsense within the domestic economic system. Now some seem to question this. Is it the system or is it the people? Most handle the free market as badly as the closed market.

There can surely be no question about the fact that economic regionalism is a reality of life that will not go away. In the years since World War II, more than 55 regional trading arrangements have been submitted to GATT for its examination.

Australia and New Zealand were the pioneers in the Pacific. In 1965, they launched the first NAFTA, the New Zealand-Australia Free Trade Agreement. The latest ramification is the 1983 Australia-New Zealand Closer Economic Relations Trade Agreement or ANZCERTA.

Regional trading blocs—which by definition are regional trade groupings which have a common set of market access conditions among member economies which are not accorded to those outside the bloc—have been implemented or tried in every area of the world, except in Northeast Asia. Except for the Northeast Asian members of APEC, all APEC members are already involved in one or more regional trading blocs.

The ASEAN countries will have AFTA [ASEAN Free Trade Area]. The United States, Canada and Mexico have NAFTA.

Given that trade blocs are not going to go away and may even proliferate, it surely requires statesmanship of the highest calibre to ensure that they will be as open as possible to non-members and that they will positively contribute to global liberalism rather than global protectionism.

The Uruguay Round negotiations have come to something of a conclusion. We will have to wait and see just how meaningful that conclusion is. I happen to think that those who believe in trade liberalism will continue to have a fight on their hands against the forces of protectionism. Those who believe in open regionalism, too, have a fight on their hands.

PECC has the San Francisco Declaration on Open Regionalism upon which it can build, and from which it can sally forth as a champion of open regionalism. It, obviously, has an important role to play. And its tripartite nature gives it the comparative advantage to fully develop the doctrine and the legitimacy of open regionalism.

In May last year, at the opening of the 26th International General Meeting of the Pacific Basin Economic Council in Seoul, I stated my view that all those who claim to be examples of open regionalism must pass two tests. The first is the test of intent. The second is the test of outcome.

The first test requires that the members of a regional enterprise pursue their regional undertaking not with the purpose of raising the ramparts and manning the barricades, but with the intent of liberalising the conditions for economic intercourse between themselves and with the intent of reducing the barriers to economies outside the regional trading bloc.

This is a very rigorous test. The entire European experience from the European Coal and Steel Community, through the Treaty of Rome and Maastricht, fails the test of intent. The desire to open to those outside need not be the primary intent. But the desire must be there.

As for the test of outcome, I believe it demands that what actually results is trade liberalisation within the regional grouping. In addition, the barriers to outside economies must actually be reduced.

If these two tests are passed, there is no doubt that open regionalism will indeed be a contributor to the open global trading system that I believe we must fight for.

Earlier in my speech, I said I was a Malaysian nationalist, that I was an Aseanist, a Southeast Asian, an East Asian, a globalist and a Pacifican.

As a Malaysian nationalist, I want to open the economy of Malaysia even further. In the last six years, we have been growing around 8.5 per cent a year. We must

exploit all the advantages that further liberalisation and openness engenders. The entire world has to be our marketplace. And we must draw in the entire world in the making of our Vision 2020 future.

As an Aseanist, I wish to see the ASEAN community open itself further, so that we will all become stronger, more competitive, and more prosperous. I am confident that AFTA will not only lower the internal barriers but also the barriers to outside economies.

As a Southeast Asian, I would like to see an open Southeast Asia. The course is set. The benefits are all too clear.

As an East Asian, I would like to see the flourishing of East Asian economic cooperation and interdependence, and East Asian open regionalism. I have no doubt in my mind that ASEAN's proposal for an EAEC [East Asia Economic Caucus] is an idea whose time cannot be denied.

As a globalist, I know we must fight against protectionism, managed trade and an international command economy. We must fight for liberalisation and free trade.

As a Pacifican, I urge you to dedicate the PECC and your countries to the cause of open regionalism in the Pacific.

I pray that you, during the course of this conference and the nations of the Pacific in the decades ahead, will

indeed succeed in holding firmly to the cause of open Pacific regionalism and in finding the way forward.

We of the Pacific who generate three-fifths of the wealth on this planet owe this to our peoples and to the rest of mankind.

Accord on Economic Growth Signed in Davao City
BK2703131894 Kuala Lumpur Voice of Malaysia in English 0800 GMT 27 Mar 94

[Text] Brunei, Indonesia, Malaysia, and the Philippines have signed an economic agreement which is expected to spur growth in the four countries. Philippine Trade Secretary Rizalino Navarro said the creation of the sub-regional grouping was a timely recognition and logical revival of centuries of informal economic ties among these countries. The signing was done in Davao City in the Philippines.

Navarro signed for the Philippines. The other signatories included Bapak Hartarto, coordinating minister for industries and trade of Indonesia, Pehin Datuk Abdul Rahman, Brunei's minister for industries and resources, and Malaysia's Tun Daim Zainuddin, coordinator for the growth area. He said under the agreement, Brunei will lead a study of air links among the four countries. Indonesia will lead a study of [word indistinct] and shipping services. Malaysia will supervise a study of joint tourism development, and the Philippines will study collaborative management of marine resources.

Japan**Government Announces New Market-Opening Package***OW2903024894 Tokyo KYODO in English 0228 GMT 29 Mar 94*

[Text] Tokyo, March 29 KYODO—Japan on Tuesday [29 March] unveiled a new package of measures to further open its markets to foreign products, in a bid to cut huge trade surpluses and deflect criticism from trading partners, especially the United States.

The package, approved by the cabinet Tuesday morning, centers on tax cuts and other macroeconomic steps to spur domestic demand, market-opening measures in four sectors and voluntary overtures in three priority areas of the stalemated trade talks with the U.S.

Noting the need to overhaul Japan's economic structure, Prime Minister Morihiro Hosokawa said in a statement that the new package clearly shows his administration's resolve to achieve such reform and bring the nation's economy into harmony with the international community.

Earlier Tuesday morning, Hosokawa telephoned to U.S. President Bill Clinton to explain the package in advance and seek U.S. understanding of Japan's efforts to increase foreign access to its markets.

Thanking Hosokawa for the call, Clinton said he looks forward to scrutinizing the package, Chief Cabinet Secretary Masayoshi Takemura told a news conference.

Clinton reportedly said he still believes Japan and the U.S. can reach an agreement in the so-called "framework" trade negotiations that collapsed at the bilateral summit in Washington on February 11.

Clinton was also quoted as telling Hosokawa that the two countries can gauge progress in the openness of Japanese markets by "objective criteria" while addressing Japan's concern that setting numerical targets would lead to managed trade.

The package has no fresh proposals on macroeconomic measures but promises to draw up concrete plans by the end of June for comprehensive tax reform, including permanent tax cuts and boosting the amount of the current 10-year, 430 trillion yen public works spending program that began in fiscal 1991.

With no new fiscal measures, the package features four market-opening items—deregulation, promotion of imports and investment, enhancing competition, and boosting government procurement.

Deregulatory steps involve abolition of regulations that directly block foreign access, international coordination of licensing and inspections systems, and simpler application procedures.

The measures center on four areas—housing and land, information and communications, distribution, and financial services and insurance.

Under these basic guidelines, the package pledges to devise concrete measures to either abolish or ease government regulations by the end of June.

Concerning measures to enhance competition, the package calls for stricter enforcement of the antimonopoly law, issuance of guidelines to bar bid-rigging, and the carrying out of surveys on business practices and price gaps between Japan and other countries.

Import and investment measures include the holding of seminars, trade fairs and other information-exchanging opportunities, action programs for fiscal 1994 to offer tax, financial and other incentives, and better use of the office of trade and investment ombudsman.

The package also includes Tokyo's voluntary actions to enhance foreign access in three priority areas identified in the framework talks with Washington—automobile and auto parts, insurance, and government procurement of telecommunications and medical equipment.

Japan believes the announcement of its new package will lead to the resumption of the deadlocked trade negotiations sometime in the next three months in hope of reaching an accord at the annual summit of the Group of Seven (G-7) major industrialized nations in Naples in July, Takemura said.

Tokyo is scheduled to issue a follow-up package before the G-7 summit that will offer more concrete plans for macroeconomic measures.

The package offers no specific targets for either cutting the trade surplus or for market access. But it spells out that a government economic forecast indicates the ratio of current account surplus to gross domestic product (GDP) will dwindle from 3.4 percent in fiscal 1992 to 3.1 percent in fiscal 1993 ending Thursday, and to 2.8 percent in fiscal 1994.

Asked if this will be taken by the U.S. as a promise by Japan to whittle down its trade surplus to that level, Takemura replied, "we don't regard this as our international pledge."

The package also introduces and welcomes plans announced recently by the automobile industry and major automakers to increase purchases of U.S.-made parts to specific amounts.

'Summary' of Package Reported*OW2903104194 Tokyo KYODO in English 1005 GMT 29 Mar 94*

[Text] Tokyo, March 29 KYODO—Following is a summary of a package of market-opening measures approved by the cabinet Tuesday [29 March].

Basic Policy

The measures are to help achieve over the medium term a highly significant decrease in Japan's current account surplus and significant increases in imports of competitive foreign products and services.

Macroeconomic Measures

- The government will actively promote over the medium term strong and sustainable demand-led economic growth to cut the current account surplus significantly. Fiscal, financial and other measures will be reconsidered as needed.
- The government officially forecasts the surplus will fall to about 13.8 trillion yen, or 2.8 percent of gross domestic product (GDP) in fiscal 1994 starting Friday from 14.4 trillion yen, or 3.1 percent of GDP, in fiscal 1993.
- The government will review by around June its 430 trillion yen public works spending program for the current decade, including reconsideration of the allocation and an increase of funds.
- Tax reform, including permanent personal income tax cuts, is intended by year's end. The bill with this year's tax cuts has been amended in the Diet, and the government will promptly implement tax reform including the permanent and structural individual income tax reduction.

Deregulation

- The government will compile by the end of June a fast-track package of priority items, noting foreign opinions and focusing on improving market access, ensuring internationally compatible standards and approval systems, and simplifying and speeding up procedures. It will cover real estate and land, information and telecommunications, distribution, licensing and inspection standards and financial services.
- A comprehensive five-year deregulation program will be completed in fiscal 1994.
- The government will seek quick approval of a bill now in the Diet to set up an independent body to monitor deregulation and make recommendations, which the prime minister shall respect.

Competition

- Investigative staff at the Fair Trade Commission will be increased by 9 percent with further increases in the future.
- Foreign opinions will be sought, and their adoption intended for the summer, on bid-tender guidelines to prevent "dango" bid-rigging.
- Guidelines on trade association activities and regulations on premiums will be reviewed.

Import and Investment Promotion

- The government will implement fiscal 1994 measures enhancing the tax system and public financing to promote imports and will expand foreign access zones, import cargo facilities and customs systems and the business support center.
- Tax incentives for direct investment and loan programs by the Japan Development Bank will be expanded, and the Office of the Trade and Investment Ombudsman and the Trade Council will be actively used.

Government Procurement

- The government will increase openness, fairness and competition before procurement procedures begin, to help competitive domestic and foreign suppliers enter and to change the mind-set of those involved with the procedures.
- Operational guidelines will be adopted going beyond those specified by the General Agreement on Tariffs and Trade. Information will be made available before tender and comments will be requested.

Voluntary Steps in Japan-U.S. "Priority Areas"

- Procedures will be improved in government procurement of telecommunications and medical technology to facilitate the entry of competitive foreign products and significantly increase their sales, including non-discriminatory access to information.
- Insurance deregulation will proceed, clarifying and making more flexible approval procedures for product development and premiums. A broker system will be introduced. Licensing and approval standards will be clarified.
- The government will facilitate, within its scope and responsibility, increased imports of autos and auto parts and purchases of local parts by Japanese plants overseas. It will financially support import car exhibitions and design-in promotions, with cooperation from the Export-Import Bank of Japan and the Japan Development Bank. A permanent Transport Ministry technical office will be stationed in Detroit to promote type-designation approvals.

Fujii: Forecast Not Numerical Target

OW2903025194 Tokyo KYODO in English 0239 GMT
29 Mar 94

[Text] Tokyo, March 29 KYODO—A projection of current account surplus included in Japan's trade package is not a numerical target, Finance Minister Hirohisa Fujii said Tuesday [29 March]. "It is not a numerical target, and I believe foreign nations will recognize this," Fujii told reporters at the Diet after emerging from a morning cabinet meeting.

Japan unveiled earlier the package of market-opening and fiscal measures designed to seek a breakthrough in the stalled trade talks with the United States.

Although it offers neither specific targets in reducing trade surplus nor measuring market access, the package spells out that an official government economic forecast indicates the ratio of current account surplus to gross domestic product (GDP) will fall from 3.4 percent in fiscal 1992 to 3.1 percent in fiscal 1993 that ends on Thursday and to 2.8 percent in coming fiscal 1994.

Fujii indicated his opposition in using construction bonds to finance an increase suggested in the package for the government's public works spending plan from fiscal 1991 through 2001. Construction bonds are "debt and leave principal and interest payments to future generations," Fujii stressed.

But he declined to comment on tax hikes that are apparently the only alternative.

In the trade program, Japan reconfirms that it will decide by the end of June a proposed boosting of the public works spending plan on a condition that financing is secured to avoid leaving burdens to future generations.

On tax cuts, Fujii said the trade package reaffirmed as he has been stressing that the ruling coalition parties are slated to decide in June on a full-fledged tax reform, including a continuation of income tax cuts that are limited to a single-year scheme for fiscal 1994. He noted that the package shows Japan's further commitment by stating that the Diet's House of Representatives attached a provision for permanent income tax cuts in the single-year bills passed last week.

The bills are now under deliberation at the House of Councillors.

U.S. Treasury Secretary Lloyd Bentsen and other officials have said that Japan's single-year tax cuts are insufficient to boost domestic demand and curb trade surplus, and have also called for further fiscal measures.

Fujii would not make any predictions over the U.S. reaction on the trade measures Japan has vowed to compile by the end of March.

With the package launched in time, Japan now awaits U.S. judgment as officials have repeated that the U.S. would assess the possibility of resuming the stalled framework talks after reviewing the March measures.

Kubota: Reduction Figure Not Pledge

OW2903034594 Tokyo KYODO in English 0253 GMT 29 Mar 94

[Text] Tokyo, March 29 KYODO—The government's inclusion in a set of market-opening steps of an expected fall in Japan's current account surplus does not amount to a promise, the nation's economic planning chief said Tuesday [29 March].

The forecast that the surplus will fall to 2.8 percent of gross domestic product (GDP) in fiscal 1994 starting Friday cannot "so directly become a promise or target," Manae Kubota, Director General of the Economic Planning Agency (EPA), told a regular news conference after a morning cabinet meeting. But the government will "make efforts" to realize the 2.8 percent figure, which was previously released as the official forecast, she said.

Kubota noted that the current account surplus, expected to come to 3.1 percent of GDP this fiscal year, is affected by such international factors as currency exchange rates.

The surplus forecast, as well as plans to review the government's 430 trillion public works spending program for the decade through 2001, were included in the package of market-opening steps approved at the cabinet meeting.

The United States has said it will consider restarting collapsed bilateral trade "framework" talks depending on the contents of the package.

Banking Official Assesses Package

OW2903101594 Tokyo KYODO in English 0934 GMT 29 Mar 94

[Text] Tokyo, March 29 KYODO—Japan's top private banker praised the thrust of the government's new market-opening steps Tuesday [29 March] but said more detail is needed to restart Japan-U.S. trade "framework" talks.

Tadashi Okuda, chairman of the Federation of Bankers Associations of Japan, said the government is taking the right steps to aim at further opening Japan's markets and cut the country's mounting current account surplus. But he noted the package approved at a morning cabinet meeting just set out the directions for further steps and that "almost all the main parts are to come in June."

Okuda called for the measures to be fleshed out quickly, saying otherwise there can be no breakthrough in the stalled bilateral talks.

U.S. officials have said they would weigh the Japanese proposals in considering whether to restart the trade talks that fell apart in February over disagreement over the use of numerical indicators to gauge progress in opening Japan's markets.

Okuda, who is also president of Dai-ichi Kangyo Bank, blasted U.S. legislation that would retaliate against foreign financial services deemed to be closed to outside competitors. The fair trade in financial services bill, which passed the U.S. Senate this month and is expected to clear the House of Representatives and be signed into law by President Bill Clinton, would violate the "non-discriminatory principle" of the General Agreement on Tariffs and Trade (GATT), Okuda said.

Okuda said the economy, which is on the verge of bottoming out, is at a delicate stage of "seeking timing."

If Diet deliberations on the fiscal 1994 budget is greatly delayed, it would hurt consumer and corporate sentiment, he said.

The cabinet Tuesday approved a 50-day, 11 trillion yen provisional budget as budget deliberations for the fiscal year starting Friday remain deadlocked in the Diet.

He also defended Japan's financial industry against criticism of a "pack" mentality and lack of innovation, leveled last week by Bank of Japan Governor Yasushi Mieno. Okuda said the industry has been highly regulated but pointed to recent deregulatory steps, saying competition and innovation will grow as deregulation proceeds.

He also said the bankers' federation agreed at a Tuesday meeting to review its disclosure regulations in line with a Finance Ministry report calling for steps such as the disclosure of business results for bank subsidiaries moving into the securities and trust banking businesses.

Business Shows 'Mixed' Reactions

*OW2903095994 Tokyo KYODO in English 0921 GMT
29 Mar 94*

[Text] Tokyo, March 29 KYODO—Business leaders showed mixed reaction Tuesday [29 March] to a new market-opening plan unveiled by the government earlier in the day to reduce the country's huge current account surplus.

Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), said he generally appreciates the program, saying it shows the government's determination to take necessary measures to open Japanese markets.

Masaru Hayami, head of the Japan Association of Corporate Executives (Keizai Doyukai), urged the government to implement the package in steady steps.

Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry, said the program contains little substance.

Hiraiwa and Hayami called for tax cuts over a three-year period and an increase of over 100 trillion yen in outlays for public works projects.

Nippon Telegraph and Telephone Corp. said it will review a procurement agreement reached between Japan and the United States in 1981 and provide more information concerning its procurement to foreign suppliers. The giant domestic telecommunications firm said it opposes any move to include its procurement plans in a governmental framework.

The insurance industry expressed hope that business leaders of both countries will negotiate for the opening of the Japanese insurance market.

The automobile industry insisted the question of Japanese auto parts procurement from U.S. suppliers be settled through industry-level talks.

Hata Wants Resumption of U.S. 'Framework' Talks

*OW2903034194 Tokyo KYODO in English 0258 GMT
29 Mar 94*

[Text] Tokyo, March 29 KYODO—Foreign Minister Tsutomu Hata met Tuesday with U.S. Ambassador to Japan Walter Mondale and expressed hope that Japan's new package of market-opening measures will lead to a resumption of the bilateral "framework" trade talks, Japanese officials said.

In the meeting held in the Diet building, Hata explained to Mondale a package of macroeconomic measures the government unveiled earlier Tuesday to spur domestic demand, market-opening measures and overtures in the framework talks, the officials said.

The framework talks collapsed at the Japan-U.S. summit in Washington February 11.

Mondale told Hata he will carefully study the English-language text of the package that he received from Hata, the officials said.

Honda, Mazda Announce U.S. Car Parts Plans

*OW2903054294 Tokyo KYODO in English 0520 GMT
29 Mar 94*

[Text] Tokyo, March 29 KYODO—Honda Motor Co. and Mazda Motor Corp. announced plans Tuesday [29 March] to boost imports of U.S.-made auto parts, following similar announcements the previous day by two other Japanese automakers.

The move reflects the automobile industry's effort to play a part in bridging the gap between Japan and the United States in their bilateral "framework" trade talks.

Honda Motor said it will locally procure U.S.-made auto parts worth 4.65 billion dollars for fiscal 1995, up 6 percent from its fiscal 1994 plan it set in 1992. The company will also import auto parts worth 540 million dollars, most of which is seen to be from the U.S.

Mazda Motor said it will purchase 2.25 billion dollars worth of U.S.-made auto parts in fiscal 1997, procuring 1.9 billion dollars worth locally. Of the 870 million dollars worth of auto parts the company plans to import worldwide, about 40 percent is seen to be from the U.S., the company said.

Mazda also said it will boost sales of cars imported from Ford Motor Co. of the U.S.

End of Voluntary Auto Export Restraint Announced*OW2903022594 Tokyo KYODO in English 0212 GMT 29 Mar 94*

[Text] Tokyo, March 29 KYODO—The Japanese Government announced Tuesday [29 March] it will abolish a voluntary cap on car exports to the United States for fiscal 1994. Continuation of the decade-old trade practice will not serve the interest of either Japan or the United States, International Trade and Industry Minister Hiroshi Kumagai told a news conference.

Kumagai explained that U.S.-bound Japanese auto shipments have been dwindling and stayed below annual ceilings in recent years.

"The step has lost its originally intended function of easing trade friction between Tokyo and Washington," Kumagai said.

The step is also against new trade frameworks established under the recently concluded general agreement on tariffs and trade (GATT), Kumagai said.

Kumagai said Japan's auto exports to the U.S. are on the decline due to increased production by Japanese makers at their U.S. plants in the wake of the yen's appreciation against the dollar in recent years.

Improving performances of U.S. carmakers have also helped prevent robust sales in the U.S. of Japanese cars as seen 10 years ago, Kumagai said.

The Ministry of International Trade and Industry (MITI) introduced annual ceilings on U.S.-bound Japanese car shipments in fiscal 1981 as a tool to correct huge trade imbalance lopsidedly in favor of Tokyo.

In the first six years, export records totaled exactly the same amount as respective year's ceiling that was set at 1.68 million vehicles in the first year, reflecting brisk sales of Japanese cars in the U.S. But exports began dropping in fiscal 1987, affected by successive launches of local production by Japanese makers via transplants.

As a result, shipments have been below set limits in the past six years, despite a cut to 1.65 million vehicles in ceilings in fiscal 1992 compared with a peak ceiling of 2.3 million vehicles during fiscal 1985-1991.

In fiscal 1992, exports totaled 1.57 million vehicles against the 1.65 million ceiling.

For the current year, shipments are expected to stand at 1.39 million units, also falling short of the 1.65 million ceiling, MITI said.

The current voluntary restraint arrangement expires Thursday.

Kumagai said the MITI decision is in line with the global trade accord calling for terminating practices such as voluntary export restraints within four years.

Under the Uruguay Round of multilateral trade talks concluded in December, GATT member countries basically agreed to regard voluntary export restraints as "gray areas" under GATT provisions and scrap them eventually.

Industry sources said the MITI decision reflects the ministry's judgment that Washington sees no further need for auto export restraints.

The sources pointed to remarks recently made by U.S. Undersecretary of Commerce Jeffrey Garten, who said it would be "a waste of time" for Tokyo to think that keeping the restraints would appease Washington in trade disputes.

The Japanese voluntary auto export restraints began in 1981 at the request of Washington at a time when U.S. automakers were experiencing strong competition from Japanese makers that shipped a flood of small cars to the U.S. market in the wake of the outbreak of the first oil crisis in 1978.

Export Curbs End 'Appropriate'*OW2903035794 Tokyo KYODO in English 0317 GMT 29 Mar 94*

[Text] Tokyo, March 29 KYODO—Japanese automakers on Tuesday [29 March] said the government's decision to end a voluntary cap on car exports to the United States is "appropriate." They also expected few impacts from the decision on their businesses because production in the U.S. now surpasses exports.

"We view it as an appropriate move amid increasing switches among Japanese carmakers to local production from exports," said Tatsuro Toyoda, president of Toyota Motor Corp. "We will pursue a further production shift in the future."

Yoshifumi Tsuji, president of Nissan Motor Co., also said the Japanese step is in line with an agreement in the Uruguay Round of multilateral trade talks, completed last December, which determined voluntary restraints on exports as a "grey-zone" measure.

The Japan Automobile Manufacturers Association also said the step will have "no major impact on Japanese makers because U.S.-bound Japanese auto shipments have long stayed below annual ceilings."

Japanese makers, prompted by the yen's appreciation, have started to boost their production in the U.S. since the latter half of the 1980s.

In 1993, locally-made cars numbered 1.54 million units, exceeding exports in volume for the first time ever.

U.S.-bound exports have been below the ceilings since fiscal 1987, and are expected to amount to 1.65 million units in fiscal 1993 through March 31, 300,000 units short of the upper limit.

Auto Exports Reportedly Plunge in Feb

*OW2803063194 Tokyo KYODO in English 0515 GMT
28 Mar 94*

[Text] Tokyo, March 28 KYODO—Japan's automobile exports in February totaled 380,158 vehicles, down 23.5 percent from a year before and down 2.6 percent from the preceding month, an industry group said Monday [28 March].

The Japan Automobile Manufacturers Association said passenger cars accounted for 294,310 vehicles.

Exports of trucks totaled 80,993 and buses 4,855, the association said.

The association said the exports, including parts, were valued at 6.85 billion dollars, down 7.9 percent from the year before but up 5.0 percent over the previous month.

It said motorcycle exports totaled 133,973, down 15.3 percent from the year before and down 2.2 percent from the preceding month.

The value of exports, including parts, came to 522.29 million dollars, up 4.2 percent from a year earlier and up 4.9 percent over the previous month, the association said.

Suzuki Plans Motorcycle Production in PRC

*OW2503141194 Tokyo KYODO in English 1328 GMT
25 Mar 94*

[Text] Tokyo, March 25 KYODO—Suzuki Motor Corp. will establish a motorcycle production and sales company in June in Jinan, capital of Shandong Province in China, jointly with a Chinese light motorcycle manufacturer, the major Japanese motorcycle company said on Friday [25 March]. The joint company, Jinan Qingqi Suzuki Motorcycle Co., will start the production of 125 cc and 250 cc sports-type motorcycles in November next year.

The new company, Suzuki's second joint motorcycle venture in China, will also service motorcycles produced by it.

Jinan Qingqi Suzuki will be capitalized at 12 million dollars, 60 percent of which will be provided by the Chinese partner, 30 percent by Suzuki and 10 percent by Nissho Iwai Corp., a major Japanese trading company.

A plant will be built at an estimated cost of 3.5 billion yen. Initial output will be 30,000 vehicles a year, and output will increase to 200,000 vehicles in five years.

Hata on DPRK Issue, Visit by France's Juppe

*OW2903083694 Tokyo KYODO in English 0815 GMT
29 Mar 94*

[Text] Tokyo, March 29 KYODO—Foreign Minister Tsutomu Hata said Tuesday [29 March] he will discuss the North Korean nuclear problem with his French

counterpart Alain Juppe during his visit to Japan from Thursday. Hata, speaking to the day's session of the House of Councillors' Foreign Affairs Committee, said "international society should take a firm stance in unison against North Korea."

Hata also said, "It is necessary to leave a window for dialogue with the North. I want to talk frankly about the issue when Mr. Juppe comes."

Juppe is visiting Japan from Thursday through Sunday for talks with Hata, the Foreign Ministry said.

It is his third visit since assuming the post last April. Juppe will also pay a courtesy call on Prime Minister Morihiro Hosokawa, the ministry said.

North Korea, which denies building a nuclear bomb, refused to allow experts from the International Atomic Energy Agency (IAEA) to freely inspect all its nuclear facilities. The IAEA dispatched its team to the North earlier this month but it was barred from inspecting one of the key sites.

ROK Foreign Minister To Visit on DPRK Issue

*OW2903111894 Tokyo KYODO in English 1050 GMT
29 Mar 94*

[Text] Tokyo, March 29 KYODO—South Korean Foreign Minister Han Sung-chu will visit Tokyo on Sunday [3 April] and Monday to discuss North Korea's suspected nuclear weapons program with his Japanese counterpart Tsutomu Hata, the Japanese Foreign Ministry said Tuesday in a press release.

Han will stop in Japan after accompanying President Kim Yong-sam in China and then visiting the United States. He will meet Prime Minister Morihiro Hosokawa.

Han is expected to brief Tokyo about the results of talks with leaders in China and the U.S., both major players in diplomatic efforts to convince Pyongyang to accept a full inspection of its nuclear facilities by the International Atomic Energy Agency.

Ex-Im Bank Pledges Loan to Latin American Bank

*OW2903122294 Tokyo KYODO in English 1154 GMT
29 Mar 94*

[Text] Tokyo, March 29 KYODO—The Export-Import [Ex-Im] Bank of Japan said Tuesday [29 March] it has pledged an untied loan of up to 10 billion yen to a Latin American development bank. The government-financed bank said a loan agreement was signed Tuesday with Banco Centroamericano de Integracion Economica (BCIE), a financial institution established in 1961 for the economic development of five Latin American countries—Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica.

The bank said the fund will be used to purchase equipment necessary for economic development projects in the five nations.

The bank said it also pledged an untied loan of up to 3.5 billion yen to Banco Latinoamericano de Exportaciones, S.A. (Bladex), a regional financing institution established in 1978 by the central banks of 22 Latin American countries and private financing institutions. The fund will be used to purchase necessary equipment for export-oriented projects in the member states, the bank said.

Bangladesh Leader Supports UNSC Seat Effort

OW2903134894 Tokyo KYODO in English 1244 GMT 29 Mar 94

[Text] Tokyo, March 29 KYODO—Bangladesh's Prime Minister Begum Khaleda Ziaur voiced support for a permanent Japanese seat on the U.N. Security Council [UNSC] in talks Tuesday [29 March] with Japanese counterpart Morihiro Hosokawa, Foreign Ministry officials said. The officials said Ziaur, who arrived in Tokyo on Monday for a five-day visit, told Hosokawa that Bangladesh "strongly supports" a permanent seat for Japan on the Security Council.

She said Bangladesh is prepared to encourage other countries with which it has close ties to similarly support Japan to that end. The officials said she was apparently referring to other Islamic countries, members of the Non-Aligned Movement (NAM), and so-called least developed countries (LDC's).

Ziaur called for continued Japanese economic assistance and expressed gratitude for Japan's agreement earlier in the day to extend a 22.9 billion yen loan, including some 21.5 billion yen for construction of a five-kilometer road-cum-rail bridge over the Jamuna River.

The bridge, expected to serve as a vital link between the eastern and western parts of the country, is being co-financed by the World Bank and the Asian Development Bank, each contributing 200 million dollars.

The officials said Hosokawa urged that the Bangladeshi Government ensure the residents of the area where the bridge is to be constructed are treated satisfactorily. They said it is estimated by the World Bank that 40,000 people will have to be relocated.

A second Japanese loan, worth some 1.4 billion yen, will go to fund a project to supply natural gas to the principal port city of Chittagong and its surrounding area.

The pledge of the two official loans, covering fiscal 1993, ending March 31, was formalized in an exchange of diplomatic notes between Foreign Minister Tsutomu Hata and Bangladesh Finance Minister Saifur Rahman.

Japan is Bangladesh's top aid donor, providing 300 to 400 million dollars a year in financial aid and other assistance. Foreign Ministry officials said Ziaur expressed a hope for more Japanese investment in her

country, saying the investment environment is good and has received favorable reviews internationally.

In response, Hosokawa announced Japan's readiness to begin negotiations to conclude an agreement with Bangladesh on the promotion and protection of investment.

The officials said the expressed intention of the Japanese Government should be an important "signal" for the Japanese private sector to go ahead and boost investment in Bangladesh. Japan presently has concluded such agreements with only four countries—China, Egypt, Sri Lanka and Turkey.

In addition to the talks with Hosokawa, Ziaur is scheduled to meet various Japanese business leaders and deliver a speech at an investment seminar Wednesday, they said.

In a speech at a dinner hosted by the Japanese premier, Ziaur urged Japan offer Bangladesh "special and differential opportunities for market access in Japan and in securing Japanese investments in our country." She said Bangladesh is planning to set up a special export processing zone "for Japanese investments alone."

Referring to the Security Council issue, Ziaur said, "The economic miracles achieved by Japan deserve to be translated into... (an) enhanced international political role."

"Bangladesh will continue to support the legitimate aspirations of Japan in the United Nations," she said. "To be more explicit, we are totally behind you in your effort to be a permanent member of the Security Council."

Upper House Approves Bills on Income Tax Cuts

OW2903102894 Tokyo KYODO in English 1008 GMT 29 Mar 94

[Text] Tokyo, March 29 KYODO—The House of Councillors approved a set of bills for income tax cuts Tuesday [29 March], completing parliamentary action and ensuring tax reductions in June. The bills provide for a 20 percent reduction of the income tax in two stages—first with summer bonus payments and second with the year-end adjustment of tax payments.

The local or resident tax will also be cut by 20 percent.

Government officials said the local tax will not be deducted from salaries for two months in June and July and collection of the annual levy will be divided equally over the remaining 10 months from August. The officials said the amount of income and local tax reductions will amount to 106,600 yen for an average family with a wife and two children.

For nonwage-earning households, income tax adjustments will be made in July, November and March while the yearly amount of local tax payments will be cut by 20 percent in June, they said.

For high-income taxpayers, the ceilings of income and local tax cuts have been set at 2 million yen and 200,000 yen, respectively.

BOJ Expects Net Liquidity Surplus in Apr

*OW2903053394 Tokyo KYODO in English 0427 GMT
29 Mar 94*

[Text] Tokyo, March 29 KYODO—A net liquidity surplus of 5.70 trillion yen is expected in the banking system in April, the Bank of Japan [BOJ] said Tuesday [29 March]. The projected surplus—excluding government bond issuance—stems from 6.90 trillion yen in net inflow of treasury funds against 1.20 trillion yen in net cash outflow, the central bank said.

The net surplus is down from 7.34 trillion yen posted last April, with net cash outflow lower than a year-earlier 1.64 trillion yen but net fiscal inflow also down from 8.98 trillion yen.

The outstanding cash balance is estimated to post a year-on-year 4.5 percent growth at the end of April, maintaining the recent uptrend in the 4 percent level, a bank official said. The expected lower cash outflow is due to a technical factor, the official said.

The net fiscal inflow includes 4.29 trillion yen in public works, up from 3.29 trillion yen, and 1.51 trillion yen in bond redemption, almost unchanged from 1.50 trillion yen.

The lower projection in fiscal inflow stems expected lower inflow from special accounts, including government-backed financial institutions.

The special account inflow is estimated at 830 billion yen, down from 1.12 trillion yen, resulting chiefly from expected smaller inflow from housing loans in reaction to the previous year's sharp rise.

Banks Plan To Write Off Nonperforming Loans

*OW2903090294 Tokyo KYODO in English 0841 GMT
29 Mar 94*

[Text] Tokyo, March 29 KYODO—Major Japanese commercial banks plan to write off nonperforming debts worth more than 3 trillion yen in fiscal 1993 ending Thursday [31 March] to speed up financial reconstruction, industry sources said Tuesday. The sources said the total amount to be liquidated by three long-term credit banks and seven trust banks will exceed 1 trillion yen.

They said combined writeoffs by 11 major commercial banks, called city banks, will top 2 trillion yen.

The sources said the total amount of debt liquidation by the three long-term credit banks is estimated at 550 billion yen—210 billion yen by the Long-Term Credit Bank of Japan (LTCB), 140 billion yen by the Industrial Bank of Japan and 200 billion yen by Nippon Credit Bank.

The writeoff by LTCB compares with 94.1 billion yen liquidated by the bank last year.

The amount of writeoffs by the seven trust banks is certain to exceed 400 billion yen, the sources said.

Mitsui Trust and Banking Co. is studying whether to include a nonperforming loan of 80 billion yen to Azabu Tatemono in its writeoffs in the current fiscal year, they said. The company's writeoff will hit 130 billion yen, a record for a trust bank, if the loan to Azabu Tatemono is included, they said.

Agency Reports Jobless Rate Rises in Feb

*OW2903015594 Tokyo KYODO in English 0123 GMT
29 Mar 94*

[Text] Tokyo, March 29 KYODO—Japan's jobless rate in February rose 0.2 percentage point from the previous month to a seasonally adjusted 2.9 percent, the highest level in six years and eight months, the Management and Coordination Agency reported Tuesday [29 March].

In a separate report, the Labor Ministry said the ratio of job offers to job seekers, an indicator of labor demand, fell from January's 0.67 to 0.65 in February, showing there were 65 jobs for every 100 people seeking employment. The February jobless rate represents a rise of 0.6 point from a year earlier and the highest since June 1987 when it stood at 3.0 percent, the agency said.

The unemployment rate among women hit a record high at 3.2 percent, topping the previous high of 3.1 percent marked in May 1987. The latest figure compares with a 2.7 percent jobless rate among men.

Officials of the agency and the ministry said the nation's employment data is likely to worsen further in the months ahead although some bright signs can be observed in the economy as a whole.

The number of jobholders in February rose 0.3 percent or 160,000 from a year earlier to 63.02 million, down from a climb of 0.5 percent or 300,000 in the previous month. The number of unemployed workers jumped 23.6 percent or 370,000 to 1.94 million.

In the manufacturing sector, jobholders declined 3.2 percent or 480,000, continuing the streak of declines since November 1992. Manufacturers are shifting their production overseas to stay competitive amid the appreciation of the yen on the foreign exchange.

Jobholders in the construction industry grew 2.5 percent or 160,000.

Improvement was seen in the wholesale, retail and food sectors, with jobholders there growing 0.8 percent or 120,000. The climb in employees in the service sector, however, was trimmed, at 1.6 percent or 240,000.

Diet Boycott Predicted Until Loans Discussed

OW2803214194

[Editorial Report] Tokyo TV Asahi Network in Japanese at 0100 GMT on 27 March, in its regularly-scheduled "Sunday Project" program, carries a 20-minute interview with Yoshiro Mori, secretary-general of the Liberal Democratic Party [LDP], by political commentator Soichiro Tahara. In the interview, Mori discusses the LDP policy to continue pressuring Prime Minister Morihiro Hosokawa over questionable loans totalling 100 million yen received from the scandal-tainted trucking company Sagawa Kyubin.

Asked why the LDP is so eager to pursue Hosokawa's responsibility, Mori stated: "We are just following a Diet resolution. When we enacted the fiscal 1993 supplementary budget, Lower House Budget Committee Chairman Tsuruo Yamaguchi of the Social Democratic Party of Japan [SDPJ] proposed a resolution according to Article 104 of the Diet Administration Law." He adds: "The resolution was adopted at the lower house plenary session with no opposition. All parties—including Hosokawa's Japan New Party [JNP], the Shinseitō [Japan Renewal Party], Komeitō, and the SDPJ—said yes to the resolution." "The Diet is formally demanding the government—the tax office, the prosecutors, or the prime minister himself—make up for deficient documents submitted by the prime minister, but the government has not shown an appropriate response. This is why Diet sessions are deadlocked." Mori adds that sooner or later "Hosokawa will have to take responsibility" for the political turmoil.

Regarding the LDP's future course of action, Mori stresses his stance to continue boycotting Diet sessions as long as Hosokawa remains silent about the issue, saying: "If Hosokawa keeps refusing the Diet's request, the enactment of the 1994 budget will be further delayed." Asked if he intends to urge Hosokawa's resignation, Mori replies: "To take responsibility for his actions, Hosokawa will be forced to dissolve either his administration or the lower house."

Mori continues: "When a person wants to borrow money, he or she usually goes to a bank. If somebody borrows a large amount of money from a trucking company, this person may have a special relationship with the company, or the loan may be given under favorable conditions. Hosokawa did that while a public official, yet he is advocating visibility in politics and elimination of corruption. If those are still regarded as the basis of political reform, he must speak out. The LDP is not responsible for the turmoil."

Tokyo Submits 50-Day Stopgap Budget to Diet

OW2903033994 Tokyo KYODO in English 0310 GMT 29 Mar 94

[Text] Tokyo, March 29 KYODO—The government compiled on Tuesday a 50-day provisional budget for fiscal 1994 with a record outlay of 11.05 trillion yen to

bridge the delay in Diet passage of the full budget. The stopgap budget formed by the Finance Ministry was endorsed by the ruling coalition parties and the cabinet of Prime Minister Morihiro Hosokawa for immediate submission to the current ordinary Diet session.

A ministry official, briefing reporters, stressed that the economy is unlikely to face downward pressure with a failure to enact the full budget before Friday's start of fiscal 1994. But the delay in fact means a slower output of spending earmarked in the full budget, with the government aiming to put the economy on a path to full recovery in the early stage of fiscal 1994.

If deliberations go smoothly, the provisional budget is expected to become law on Thursday.

The Diet is now stalled in its deliberations on the fiscal 1994 budget plan worth 73.08 trillion yen, with the opposition Liberal Democratic Party demanding Hosokawa give a full accounting of a 100 million yen loan he received from the scandal-ridden Sagawa Kyubin trucking group.

The full budget was submitted to the Diet as late as March for the first time in 27 years, already two months behind schedule, and the Diet impasse has made it certain that administrative bodies will enter the new fiscal year without the funds to keep functioning.

The Finance Ministry also compiled a provisional plan worth 9.84 trillion yen for the fiscal investment and loans program, also approved by the government and the ruling parties. The program, regarded as a second national budget, allocates funds to government-backed financial institutions and other special bodies.

Even though the stopgap budget excludes new policy spending, the ministry budget bureau official said the government has earmarked sufficient fresh public works and other economy-stimulating outlays in the third fiscal 1993 supplementary budget, which became law in February, to fund large chunks of the latest 15.25 trillion yen economic stimulus package.

The provisional budget earmarks 2.78 trillion yen in spending related to public works, about 30 percent of outlays included in the full budget, to finance works carried over from fiscal 1993 and a roughly estimated amount usually necessary for the first 50-day period.

A minimum necessary 14 percent is included for labor, operating and other administrative expenses to keep the government functioning.

Among other major expenditures, the provisional budget allocates 2.20 trillion yen in social welfare spending from 13.48 trillion yen in the full budget, and 3.65 trillion yen in tax grants to local governments from the full 12.76 trillion yen.

On the revenue side, the ministry estimates 3.83 trillion yen in the 50-day period, including 1.22 trillion yen in tax income and 2.47 trillion yen in bond issuance.

To cover the estimated revenue shortfall of 7.23 trillion yen, the ministry plans to raise funds by issuing short-term treasury securities.

The 50-day provisional period is the second-longest in postwar history—matching those in fiscal 1987, 1989 and 1990 when Japan also compiled stopgap budgets.

The ministry official said the 50-day period reflected the average 48 days taken in the past three years for the full budget to pass the House of Representatives. After passing the powerful lower house, budget bills are sent to the House of Councillors which is relatively quick in completing deliberations.

The government apparently hopes that deliberations on the stopgap budget will heighten public awareness and pressure opposition parties to accept debates on the full budget.

Vice Finance Minister Jiro Saito told a regular press meeting on Monday that budgets should normally be passed before the fiscal year begins, and called for Diet passage "as early as possible."

Consultant Alleges Hosokawa Lied to Diet

*OW2903042894 Tokyo KYODO in English 0418 GMT
29 Mar 94*

[Text] Tokyo, March 29 KYODO—Prime Minister Morihiro Hosokawa's Diet testimony over the purchase of 300 Nippon Telegraph and Telephone Corp. (NTT) shares is false, an investment consultant said Tuesday [29 March].

Hosokawa has told the Diet that he only helped his father-in-law buy the shares by putting up a condominium as collateral to finance the purchase. But "the NTT share transaction is what Prime Minister Hosokawa himself asked for. His father-in-law only allowed his name to be used by Hosokawa for the transaction," the 60-year-old consultant said on condition of anonymity.

The consultant told KYODO NEWS SERVICE he himself recommended the NTT share purchase to Hosokawa via one of Hosokawa's aides. He said he is willing to testify before the Diet about his allegations.

Hosokawa's father-in-law, Shohei Ueda, the father of Hosokawa's wife, Kayoko, died last May.

The premier has repeatedly told the Diet he merely complied with his father-in-law's request to put up his own condominium as collateral to secure a loan to finance the NTT share purchase. He has said he financed the purchase of the condominium in Tokyo's Motoazabu area with part of a 100 million yen loan he borrowed in 1982 from the Sagawa Kyubin trucking group, a company at the center of a money-and-mob scandal.

Japan Communist Party legislator Zenmei Matsumoto said he would press Hosokawa during Wednesday's

parliamentary session to account for the inconsistency between the premier's statements and the consultant's allegations.

Hosokawa's political office said, "the transaction is a legal economic activity taken by the premier's father-in-law and the premier himself did not initiate the deal."

The consultant said he approached the aide of then Kumamoto Gov. Hosokawa in the fall of 1986 with an offer to act as an intermediary for acquiring NTT shares, before NTT solicited bids for its shares for the first time on October 4, 1986. He said Hosokawa expressed his willingness to tender his bids for the shares after the aide explained about NTT share investment in a conversation in early September of that year at the governor's office.

The aide and the consultant introduced Masatoshi Miyama, Hosokawa's top financial secretary, to a Tokyo-based stock investment financing company, he said. Miyama offered to borrow the money for the share purchase in the name of Hosokawa's father-in-law, he said.

The financing contract called for putting up both the NTT shares and the premier's condominium as collateral, he said.

The Hosokawa side succeeded in acquiring all 300 NTT shares for which he had submitted bids. Six months after NTT floated the shares on the Tokyo stock exchange in February 1987, Miyama sold off 199 of the shares, raking in handsome profits, he said.

Even after Hosokawa repaid the funds borrowed for the share purchase, he ended up securing a net investment profit of some 50 million yen, he said.

Miyama broke a promise to have the consultant dictate the timing of any selloff of NTT shares, while giving the consultant 10 percent of the net profit from the sell-offs, he said. The consultant obtained only part of what Hosokawa's camp had agreed to pay to him, he said.

The consultant said he cannot identify who first conveyed the investment offer to Hosokawa "to prevent the publicity from causing annoyances" to the aide.

Murayama Views 'Study Group' on Coalition Merger

*OW2903073694 Tokyo KYODO in English 0653 GMT
29 Mar 94*

[Text] Tokyo, March 29 KYODO—The leader of the largest party in the ruling coalition on Tuesday [29 March] expressed opposition to Prime Minister Morihiro Hosokawa's plan to form a study group involving all the seven ruling parties if the group is intended for creating a new party.

Social Democratic Party (SDP) [of Japan—SDPJ] Chairman Tomiichi Murayama told a news conference

that it is time for all the coalition members to take a united front in helping Diet debate on the fiscal 1994 state budget go smoothly. Murayama said any move that threatens the unity of the coalition should be avoided.

Murayama said he relayed his thoughts to Hosokawa when he visited the premier at his official residence last week to inquire about news reports that the planned coalition study group is a preliminary step before establishing a new party.

Mass media reports said that a prerequisite for joining the group is support for choosing joint candidates under the new electoral system for the House of Representatives.

Hosokawa said earlier this month the coalition would be at a disadvantage in the next general election unless it overcomes internal rivalry and agrees to file a joint candidate in each of 300 single-seat constituencies.

If joining the study group is a condition to be selected as a joint candidate or if the group is designed to create a new party, "I would not be able to agree" to let SDP legislators participate, Murayama said. But he added the SDP has no plan at the moment to decide on whether to allow party ranks to join the study group and instead will keep watch over political developments.

North Korea

International Role of Nonaligned Nations Upheld

Urged To 'Reform' UN

SK2903050494 *Pyongyang KCNA in English*
0442 GMT 29 Mar 94

["NODONG SINMUN Calls for Reform and Democratization of UN"—KCNA headline]

[Text] Pyongyang, March 29 (KCNA)—NODONG SINMUN today calls on the non-aligned countries to invigorate the efforts for the reform and democratization of the United Nations.

In a by-lined article calling for further increasing the might of the Non-Aligned Movement (NAM), the paper says:

This movement must fully play the role of a leading force in building a new world where all the countries and nations would exercise independent rights in the international arena on an equal footing.

What is important in this is to activate the work for the reform and democratization of the United Nations so that the non-aligned nations can take part in the solution of international issues with equal responsibility and rights. Only when the United Nations is democratized is it possible to do away with arbitrariness and privilege in the United Nations and ensure equality, allow its

member nations to lift up their voices of justice and solve international issues in a fair way.

The non-aligned nations must work out a common strategy for the reform of the United Nations, take a joint action and make concerted efforts to put an end to pressure, sanctions and interference in other's internal affairs based on the abuse of the authority of the United Nations. If the NAM is to be kept pure, any attempt to open its door without consideration must never be allowed, the paper says, and goes on:

Whether a country can be a member nation of the NAM or join it with any other qualification depends on whether it pursues a policy according with the basic idea and principle of the NAM or aspires after and sympathizes with it.

The non-aligned nations must take a joint action for a total elimination of the nuclear weapons in the world and the removal of the inequality of the Nuclear Non-proliferation Treaty.

'Important' To Increase Strength

SK2903103194 *Pyongyang KCNA in English*
1007 GMT 29 Mar 94

["Might of NAM Must Be Increased"—KCNA headline]

[Text] Pyongyang, March 29 (KCNA)—Further increasing the might of the Non-Aligned Movement (NAM) at present remains an important matter since the idea of the movement has not yet been materialized with the people's cause of independence being hindered by the moves of the imperialists and their followers, says NODONG SINMUN in a by-lined article today.

What is important in increasing the might of the NAM is to maintain the fundamental principles and idea of this movement, the paper notes, and stresses:

To regard independence against imperialism as its idea, stay outside all blocs and pursue an independent policy is the fundamental principles of the NAM.

Only when the NAM adheres to the fundamental principles, the source of its viability, can it further enhance its might and role and successfully realise the noble idea of independence against imperialism.

It is also important in increasing the might of the NAM to keep the movement pure and cement its unity.

Any attempt to open its door in an unprincipled manner must not be allowed. Whether a country can be a member nation of the NAM or join it with any other qualification depends on whether it pursues a policy according with the basic idea and principle of the NAM or aspires after and sympathizes with it.

If the non-aligned nations unite with each other closely on the basis of independence and wage a common

struggle, they can check and frustrate the moves of the dominationist forces and carry into effect the idea of the NAM.

Now the NAM is faced with tasks to struggle to achieve democracy and independence of the whole world, reject the policy of strength and arbitrariness of the dominationist forces and establish a new international political and economic order on the basis of equality, justice and impartiality.

What is important in this is to activate the work for the reform and democratization of the United Nations so that the non-aligned nations can take part in the solution of international issues with equal responsibility and rights. The non-aligned nations must work out a common strategy for the reform of the United Nations, take a joint action and make concerted efforts to put an end to pressure, sanctions and interference in other's internal affairs based on the abuse of the authority of the United Nations. It is one of the main duties of the NAM to oppose all manner of domination and subjugation, aggression and interference, achieve disarmament and safeguard the world peace and security.

The non-aligned nations must reject any attempt seeking a political purpose in a military way and actively struggle to resolve all the disputes on the principle of mutual respect and non-interference in other's internal affairs.

They must make strenuous efforts to free themselves from the economic yoke of the imperialists and establish a new international economic order on the basis of independence, equality and impartiality by establishing a South-South economic order on the principle of collective self-reliance.

The government of the Democratic People's Republic of Korea and the Korean people will, as in the past, so in the future, too, steadfastly defend the basic idea and purpose of the NAM, remain faithful to it and make every possible effort to enhance its role.

Foreign Personalities, Groups Express Support

Groups Blast U.S. Actions

*SK2903032494 Pyongyang KCNA in English
1010 GMT 28 Mar 94*

[“U.S. Perfidious Act Under Fire”—KCNA headline]

[Text] Pyongyang, March 28 (KCNA)—Foreign political parties and organizations have bitterly denounced the perfidious act of the United States in reversing the agreed conclusions reached between the Democratic People's Republic of Korea and the United States at the New York contact and bringing the situation of the Korean peninsula to the brink of war.

The Central Committee [C.C.] of the Jordanian Communist Party in its March 24 solidarity message to the C.C., the Workers' Party of Korea said the United States

reversed the New York agreement, fully revealing its aggressive design to render the situation strained and perpetrate a provocation on the Korean peninsula.

The Brazilian Communist Party issued a statement on March 24.

Noting that the United States was driving the situation of the Korean peninsula to the brink of war by foiling the third round of the DPRK-U.S. talks and seeking the resumption of the “Team Spirit” joint military exercises and the deployment of Patriot missiles in South Korea, the statement said this is a premeditated provocation to isolate and stifle socialist Korea.

The Spanish Committee for Supporting Korea's Reunification, the Organizing Committee of “the Espano-Coreano Koryo Friendship and Cooperation Association” and the Spanish Committee of the Organization of Solidarity of the Peoples of Africa, Asia and Latin America released a joint statement on March 22.

Pointing out that a grave situation has been created again on the Korean peninsula by the U.S. perfidious act in reversing its agreement with the DPRK, it condemned the bellicose and irresponsible attitude of the International Atomic Energy Agency, which is serving the imperialists and the United States.

The Russian Association for Friendship and Cultural Cooperation with the Democratic People's Republic of Korea in a statement March 24 said the situation of the Korean peninsula has been further aggravated because some quarters of the United States and Japan have not given up the intention to stifle the DPRK, and the United States, taking advantage of its predominant position in the IAEA, has reversed the DPRK-U.S. agreement, put all manner of pressure on North Korea and worked to impair its authority in the international arena and finally suffocate the socialist system of this country.

The Zimbabwean Association for Solidarity and Friendship with Korea, the General Confederation of Trade Unions of Yemen and the Secretariat of the Democratic Youth League of Ghana, too, issued statements urging the United States to stop threatening the DPRK.

Figures Urge ‘Peaceful Settlement’

*SK2903034494 Pyongyang KCNA in English
1039 GMT 28 Mar 94*

[“Situation of Korean Peninsula Must Be Settled Peacefully”—KCNA headline]

[Text] Pyongyang, March 28 (KCNA)—Political and public figures of different countries unanimously call for a peaceful settlement of the situation of the Korean peninsula which has been further strained by the manoeuvres of the U.S. imperialists and international reactionaries.

The minister of defence and security of Indonesia at a press conference on March 24 said Indonesia would

make positive efforts to see the aggravated situation of the Korean peninsula solved peacefully, not develop into an armed conflict. He added that Indonesia would support the efforts of all sides concerned to avoid confrontation and find a peaceful solution of the nuclear issue.

In a joint statement published on March 26, seven members of the State Duma of Russia including V. Ilyukhin, chairman of the Security Committee of the State Duma who is member of the Federal Communist Party of Russia, said some quarters of the United States were again straining the situation by raising new unreasonable conditions. They urged that all measures should be taken to continue the talks to maintain peace on the Korean peninsula, instead of resorting to pressure with strength.

Anzuluni Bembe, first vice-president of the Transitional National Parliament of Zaire—the higher council of the Republic, held that the nuclear issue of the Korean peninsula should be settled in a peaceful way.

Thomas Ronstrom, co-chairman of the Nordic Cooperation Committee for Friendship and Solidarity With the Korean People, in a statement March 23 said inconsistent reports spread by the western media show their partiality against the Democratic People's Republic of Korea, and it is an act of blindly following only the false argument of the International Atomic Energy Agency [IAEA].

Alexandru Mica, chairman of the Romanian Promoting Committee for Supporting the Reunification of Korea, and Faustin Justin Zabe, national first secretary of the youth of the Congolese Socialist Party, in their solidarity messages, and Jose Fanequico Lissane, executive secretary of the Mozambican Committee for Friendship With the People of the DPRK, in a statement stressed that the United States and some quarters of the IAEA Secretariat should apologize for their diabolic crimes against the Korean people and mankind and observe the principle of impartiality.

North Nuclear Stand Applauded

*SK2903045394 Pyongyang KCNA in English
1045 GMT 28 Mar 94*

["Korea's Stand for Fair Solution of Nuclear Issue Supported"—KCNA headline]

[Text] Pyongyang, March 28 (KCNA)—Party and state leaders of different countries expressed support to the DPRK's stand towards the nuclear issue on the Korean peninsula when they met with Korean ambassadors.

Salmin Amour, second vice-president of the United Republic of Tanzania and Zanzibari president, confirmed support to the stand of the DPRK in their efforts for a fair and smooth solution to the nuclear issue on the Korean peninsula.

Klaus Riis, chairman of the C.C. [Central Committee], the Communist Party of Denmark (Marxist-Leninist), said that just is the stand taken by the DPRK to cope with the grave situation in which the situation of the Korean peninsula is growing acute due to the perfidy of the United States. "We express our full support for and solidarity with this stand," he pointed out.

He stressed that there is no more important work at present than to launch the solidarity movement for supporting Korea on a worldwide scale.

Indrajit Gupta, general secretary of the National Council of the Communist Party of India, said his party condemned the U.S. imperialists for scheming to isolate and stifle the DPRK, taking issue with the "nuclear inspection".

He confirmed full support and solidarity to the Workers' Party, the government and the people of Korea in the valiant struggle against the challenges of the enemy.

Siale Bileka Silvestre, prime minister of Equatorial Guinea, said that the U.S. action evidently proved it had no willingness to resolve the nuclear problem and was resorting to the premeditated moves to isolate and stifle the DPRK, taking advantage of a lever of the DPRK-U.S. talks.

The step taken by the DPRK Government this time is just, he said.

Ali Alatas, foreign minister of Indonesia, told reporters that dialogue is important in solving the nuclear problem in the Korean peninsula and the present crisis should not be aggravated.

The National Assembly of Zambia, in a note to the DPRK Embassy, expressed its support to all efforts of the DPRK to realize the denuclearization of the Korean peninsula.

Media Report ROK 'Reverence' for Kim Chong-il

VNS Radio Reports Cited

*SK2503112894 Pyongyang KCNA in English
1035 GMT 25 Mar 94*

[Text] Pyongyang, March 25 (KCNA)—Feelings of reverence for the dear leader Comrade Kim Chong-il are daily growing among South Korean people and soldiers of the puppet Army, according to the Seoul-Based Radio Voice of National Salvation [VNS].

Yi Suk-kyong, a teacher of a high school in Inchon, when she was asked by her students at the geography lesson which is the strongest country in the world, replied that she thought it is the North. She further said:

Whether a country is strong or weak does not depend on the size of its territory, population and the level of arms equipment.

The North is so strong because it is under the guidance of General Kim Chong-il, a peerless famous general.

He is a great brilliant commander of varied attainments with literary and military accomplishments and iron will.

It is a great fortune and pride of our nation that we have held General Kim Il-song, a legendary hero of the anti-Japanese armed struggle, and General Kim Chong-il, another matchless general, together in high esteem.

A university professor in Taejon said with a strong emotion to his students:

General Kim Chong-il is the great master of military affairs who has developed the People's Army into unrivalled ranks by unfolding a new chapter of army building.

A First Lieutenant Kim of the 27th Division of the puppet Army said to his colleagues:

The Yankees try to kindle a war against the North. But we must live with our own minds.

No army on earth equals the People's Army which has developed into a one-match-for-a-hundred strong army under the guidance of General Kim Chong-il, the supreme commander with matchless grit, iron will and invincible stamina.

We must not serve the United States as its mercenaries but become genuine defenders of our country with General Kim Chong-il as the supreme commander of the national Army.

ROK Soldiers Comment

*SK2803103894 Pyongyang KCNA in English
1020 GMT 28 Mar 94*

[Text] Pyongyang, March 28 (KCNA)—The feelings of reverence for the dear leader Comrade Kim Chong-il are growing deeper among South Korean puppet Army soldiers.

Captain Kim of the 21st Division of the puppet Army, while conversing with his colleagues about the situation said the People's Army of the North guided by the greatest Commander General Kim Chong-il is a matchless army.

He noted:

"General Kim Chong-il endowed with military ingenuity by nature has reared the People's Army to be a highly disciplined matchless army.

"Officers-men unity, Army-people unity, arming of all people and fortification of the whole country—this is a true look of the North. No nuclear armed force can threaten the North with such strong national power."

After hearing him, a Second Lieutenant Choe said that the way for the nation to survive, the way of achieving

reunification, preventing disasters of the nation, lies in that we hold the greatest Commander General Kim Chong-il produced by our nation in high esteem as the commander-in-chief of the national army.

A first lieutenant of the puppet Army told his colleagues that the "ROK" Army can be a genuine army of the nation and an independent army only when it is led by General Kim Chong-il with an early reunification of the country.

A private of a puppet Army unit surnamed Choe told his colleagues: "He has armed the Korean People's Army and made it a-match-for-a-hundred ranks by creating chuche-based military theory and tactics suited to the requirement of the modern war. Indeed, there is no such great statesman and military strategist as the dear leader Kim Chong-il in the world."

ROK Unification Minister's Remarks Discounted

*SK2903044494 Pyongyang KCNA in English
0427 GMT 29 Mar 94*

["Jargon of Opponent to Dialogue"—KCNA headline]

[Text] Pyongyang, March 29 (KCNA)—The South Korean puppet Unification Minister, Yi Yong-tok, in "a KBS TV appearance" Sunday, reportedly let loose a string of hypocritical words about "dialogue" quite ill-matched to their bellicose moves.

This jargon of the opponent to dialogue is nothing but a foolish attempt to evade their responsibility for the collapse of North-South dialogue and justify the criminal war moves against the North, which are now increasing the tensions in the Korean peninsula.

It is an insult to and a mockery of the dialogue partner for the South Korean puppet clique to twang the harp of "dialogue" while bringing the situation of the Korean peninsula to the brink of war after unilaterally breaking up the working-level contact for the exchange of presidential envoys between the North and the South.

Yi Yong-tok said "if the UN sanctions are taken against the North, the South will adopt all measures needed for international cooperation." This revealed the invariable intention to isolate and stifle the North at any cost with the help of outside forces.

The Kim Yong-sam group must not act rashly, clearly mindful that going towards a war after closing the door of dialogue will, after all, tighten the noose around its neck.

South Warned Against 'Fanning Confrontation'

*SK2903043294 Pyongyang KCNA in English
0411 GMT 29 Mar 94*

["Acts Inciting Confrontation"—KCNA headline]

[Text] Pyongyang, March 29 (KCNA)—The puppet prime minister showed up at the "Seoul City Police Office" on March 27 and ordered it to "maintain a perfect public peace and alert posture", according to a radio report from Seoul.

On March 26, while making a round of frontline units of the puppet Army, he incited war fever against the North, crying for a flawless "posture for countermove".

It cannot go unnoticed that the South Korean puppets are fanning confrontation with the North at a time when the perfidious U.S. warlikeners are aggravating the situation on the Korean peninsula by threatening the resumption of the "Team Spirit" joint military exercises this year and ordering the deployment of "Patriot" missiles in South Korea after totally reversing the agreed conclusions reached between the DPRK and the United States in New York.

Facts show that the South Korean puppets are getting more frenzied with the passage of time in driving inter-Korean relations to the brink of war on the order of the U.S. masters.

The South Korean puppet clique are trying to ignite a war against the DPRK, following the adventurous war moves of the U.S. imperialists. But they would be well advised to mind that they would eventually die a miserable death in the flame they kindled.

Daily Reacts to ROK 'War Scenario'

*SK2903054294 Pyongyang KCNA in English
0459 GMT 29 Mar 94*

["Bellicose Elements Will Have To Pay Dearly, NODONG SINMUN Commentator"—KCNA headline]

[Text] Pyongyang, March 29 (KCNA)—The provokers will have to pay dearly, warns NODONG SINMUN today, taking a serious view of the new operation plan No. 5027 published by the ruling quarters of South Korea after establishing it with the United States.

Saying that the publication of the war scenario against the North cannot be overlooked, the paper in a commentator's article warns:

The South Korean ruling quarters should ponder over the grave consequences that may arise from their reckless acts of leading the situation to the brink of war in collusion with outside forces against fellow countrymen.

The article says:

The "plan" revealed recently by the puppet Defence Minister of South Korea, Yi Pyong-tae, provides for "five-phase military actions". It is a war scenario against the North which was worked out through a confab between ranking officers of the U.S. Forces and the puppet Army in September last year.

This is the first time that South Korea opened to the public an established war scenario against the North. This shows the Kim Yong-sam group is a cohort of bellicose elements more swollen-headed for northward invasion than the preceding rulers, and plainclothes warmaniacs more dangerous than those in military uniforms.

This is proved eloquently by the reckless military moves of the South Korean authorities.

The South Korean puppets recently held military confabs such as "meeting of security-related ministers" one after another over the "nuclear issue" of the North and "reexamined" their "policy toward the North" and "defence posture". On that basis, they decided to introduce Patriot missiles in South Korea and resume the Team Spirit joint military maneuvers and issued a "special alert order" to the entire puppet Armed Forces. These are ill-boding military moves to carry the war scenario against the North into practice.

As a result, a strained situation that might trigger off a war any moment has been created on the Korean peninsula.

It has been made clear that the South Korean puppets are a group of traitors indifferent to peace in the country and the fate of the nation.

The Kim Yong-sam group must remember that they unilaterally nullified the inter-Korean agreement and the joint declaration on denuclearisation.

The United States and the South Korean authorities watching for a chance to realise the war scenario against the North are wholly to blame for the tensions on the Korean peninsula.

The root cause of disasters must be grubbed up in time.

The bellicose elements such as the puppet defence minister trying to plunge our nation into the scourge of nuclear war must be punished immediately and the Kim Yong-sam traitorous regime be ousted.

With no military threat can the United States and the South Korean rulers frighten the Korean people. Unshakable is the will of our people and People's Army to punish the aggressors and provokers and safeguard security of the country and the nation.

We are fully prepared to deal a thousand-fold retaliatory blow if the South Korean rulers unleash a war against the North in league with outside forces.

The provokers will have to pay dearly.

ROK People Urged To Reject U.S., Kim Regime

*SK2903111894 Pyongyang KCNA in English
1104 GMT 29 Mar 94*

["Compatriots in South and Overseas Urged To Avert Danger of War and Defend Peace"—KCNA headline]

[Text] Pyongyang, March 29 (KCNA)—The Central Committee of the Democratic Front for the Reunification of the Fatherland issued an appeal today calling on all the compatriots in South Korea and overseas to join in the struggle to reject the resumption of the "Team Spirit" joint military exercises and the introduction of Patriot missiles into South Korea and check the dispatch of U.S. warships to the sea off South Korea and all the military provocations.

The appeal came at a time when a very grave phase of war fraught with an unpredictable danger has been created on the Korean peninsula by the reckless moves of the U.S. and South Korean bellicose quarters. "If a nuclear war broke out on the Korean peninsula, the Korean territory would be turned into a waste land and the Korean nation with a 5,000-year-long history would suffer from an irrevocable disaster", it warns, and says:

"True patriotism for the Korean nation is manifested in averting the imminent danger of war and safeguarding the country's peace".

It calls on all the political parties, groupings and people of all social strata of South Korea and overseas Koreans to turn out in a struggle for overthrowing the present treacherous regime of Kim Yong-sam and thwarting the reckless belligerent moves of the U.S. and South Korean bellicose circles.

It appeals to the soldiers of the "ROK" to categorically reject the criminal order of the war-thirsty elements who are forcing them to serve outside forces as their mercenaries and impose a nuclear war disaster upon their families and fellow countrymen and turn their guns to the aggressors and the traitors.

It appeals to the South Korean people to resolutely rise up in the anti-U.S., anti-war and anti-nuke struggle to get the U.S. troops and nuclear weapons out of South Korea and convert the Korean peninsula into a nuclear-free, peace zone.

The appeal stresses that all the compatriots must unite with each other as one nation with the 10-point programme of the great unity of the whole nation as their common guideline of the nation and take part in the struggle for removing the danger of a nuclear war hanging over the nation and opening the way of the peace and peaceful reunification of the country.

U.S. 'War' Preparations Seen as Provocation

SK2903045494 Pyongyang KCNA in English
0437 GMT 29 Mar 94

[Text] Pyongyang, March 29 (KCNA)—The U.S. imperialists committed a grave provocation of introducing various kinds of military planes into South Korea from overseas bases on March 27, according to military sources.

F-15 fighter bombers, FA-18 pursuit-assault planes and P-3 anti-submarine planes from the bases in Japan and

U.S. Pacific region were deployed in the U.S. airforce bases in South Korea after a long-distance flight.

On the same day, C-5 extra large strategic transport planes which load several tanks and armoured vehicles continuously flew in the U.S. airforce bases in South Korea from the overseas bases and the airlifted aggressive forces and murderous equipment were posted in operational zones.

Earlier, on March 26, C-5, C-141 and C-130 transport planes flew in South Korea from the U.S. overseas bases.

All the facts show that the U.S. imperialists' preparations for a war of aggression are reaching an extreme phase.

Opposition in South to Farm Market Opening Noted

SK2903054694 Pyongyang KCNA in English
0434 GMT 29 Mar 94

[Text] Pyongyang, March 29 (KCNA)—The headquarters of the "All-People Movement for Defending Our Agriculture" and three other agriculture-related organisations in South Korea made public a protest statement on March 26 denouncing the anti-national behaviour of the Kim Yong-sam group in expanding the scope of the farm market opening by yielding to pressure from the United States, and strongly demanded a punishment of those responsible for it, according to a radio report from Seoul.

They declared that they would launch a widespread signature campaign against "parliamentary ratification" of the farm market opening.

The Citizens' Federation for Economic Justice on the same day published a statement condemning the Kim Yong-sam group for widening the scope of the farm market opening.

That day, Yi Ki-taek, chairman of the opposition Democratic Party, said they would fight in concert with broad dissident forces against the expansion of the scope of the farm market opening.

Meanwhile, an opinion poll conducted by the General Student Council of Korea University in Seoul among nearly 8,000 students on March 25 and 26, showed that nearly 90 percent of the respondents opposed the rice market opening.

U.S., Japanese Defense Meeting Condemned

SK2903102094 Pyongyang KCNA in English
1010 GMT 29 Mar 94

["Dangerous Military Tie-Up"—KCNA headline]

[Text] Pyongyang, March 29 (KCNA)—A five-day meeting of strategic experts of the U.S. Defence Department and the Japanese defence agency held in Tokyo

discussed an operational plan for strengthening Japan-U.S. military conspiracy under the signboard of "Japan-U.S. security" for the "military assistance of the Japanese side to the U.S. side" in attacking the DPRK in "case of emergency" on the Korean peninsula, says the Japanese SANKEI SHIMBUN on March 28.

This is a grave military threat to the DPRK and an intolerable undisguised challenge to it.

The U.S. and Japanese military forces sit together to discuss an operational plan for controlling the DPRK by force of arms at the time when the situation of the Korean peninsula is rushing up to the brink of a war, which shows that the manoeuvres of the U.S. imperialists to provoke a new war are entering a very grave stage.

But it is a foolish daydream that the U.S. and Japanese reactionaries try to control the DPRK with their military conspiracy.

They must look straight at the realities and act with discretion.

Premier Sends Message to Pakistani Counterpart

*SK2503114794 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 22 Mar 94*

[Text] Comrade Kang Song-san, premier of the Administration Council, sent a congratulatory message to Benazir Bhutto, prime minister of the Islamic Republic of Pakistan.

The message pointed out that on the occasion of the Day of Pakistan, a national holiday of the Pakistani people, he sends warm congratulations to the prime minister.

The message stressed that the Pakistani people effected a great advance in the work to build a great independent and prosperous new Pakistan under the leadership of the prime minister.

The message pointed out that friendship and cooperative relations between the two countries, which were firmly consolidated with the prime minister's visit to our country in November last year, will be further strengthened and developed.

The message sincerely wished the prime minister greater success in his work for prosperity of Pakistan.

Cooperation Agreement Signed With Mali

*SK2703092094 Pyongyang KCNA in English
0803 GMT 27 Mar 94*

[Text] Pyongyang, March 27 (KCNA)—An agreement on cooperation between the DPRK Ministry of Foreign Affairs and the Mali Ministry of Foreign Affairs, Malians Abroad, and African Integration was signed in Bamako, Mali, on March 22.

The agreement was signed by Vice Minister of Foreign Affairs of the DPRK Kim Yong-il and General Secretary

of the Ministry of Foreign Affairs, Malians Abroad, and African Integration Noumou Diakite.

Danish Communist Party Head Meets Envoy

*SK2703133494 Pyongyang Korean Central
Broadcasting Network in Korean 0400 GMT 26 Mar 94*

[Text] Klaus Riis, chairman of the Danish Communist Party (Marxist-Leninist) Central Committee, received the DPRK ambassador to Denmark on 22 March.

During the meeting, the ambassador conveyed the great leader Comrade Kim Il-song's and the dear leader Comrade Kim Chong-il's greetings to Chairman Klaus Riis. The chairman expressed deep gratitude, and asked the ambassador to convey his sincere greetings to the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

The chairman said that the DPRK's position in dealing with the grave situation in which the Korean peninsula is becoming acute because of the betrayal act of the United States, is just. He said that he expresses full support and solidarity. He pointed out that the maneuvers of the United States to crush [apsal] Korea's socialism has entered a grave stage, and said that advocating and adhering to Korea's socialism under today's situation is an international duty of the world's progressive political parties. He emphasized that there is no more important work than widely carrying out the solidarity movement to support Korea.

Lebanese Party Leader Sends Solidarity Message

*OW2803073094 Pyongyang KCNA in English
0508 GMT 28 Mar 94*

[Text] Pyongyang, March 28 (KCNA)—The Great Leader President Kim Il-song received a solidarity message from Walid Junblatt, chairman of the Socialist Progressive Party of Lebanon, supporting Korean people's struggle to defend the country's sovereignty.

The message dated March 24 notes that the situation of the Korean peninsula has been extremely strained by continued pressure of the United States against the DPRK.

It says:

We extend full support to and solidarity with the Korean people in their struggle to defend the country's sovereignty under the outstanding guidance of President Kim Il-song.

We hope Korean reunification will be realized at an early date in accordance with the 10-point programme of the Great Unity of the Whole Nation set forth by President Kim Il-song, and express the conviction that this will greatly contribute to removing the tensions and achieving peace in Asia and the rest of the world.

Young People Praised for Defense of Sovereignty

SK2903052594 *Pyongyang KCNA in English*
0421 GMT 29 Mar 94

["Heroic Stamina of Korean Young People"—KCNA headline]

[Text] Pyongyang, March 29 (KCNA)—There are 5 million young men and women in the Democratic People's Republic of Korea.

Their hearts are filled with the death-defying resolution to dedicate their lives without hesitation to the party and the leader, the motherland and the people. A graphic example of this is the iron will and faith of the young people who rose up like a mountain last year to defend the nation's sovereignty and the country's supreme interest.

In March last year when a touch-and-go crisis in which a war might break out any moment was created due to the anti-DPRK campaign of the enemy, the world watched the Korean peninsula.

A semi-war state was declared to the whole nation, entire people and the whole army and a statement of the DPRK Government on the withdrawal from the Nuclear Non-proliferation Treaty (NPT) was published.

The young men and women who always accept the determination of the Workers' Party of Korea as their will turned out as one man to defend the motherland, the place for their living.

Young people numbering 1,500,000 volunteered to the Korean People's Army in a few days.

We do not want war but not beg for peace. [sentence as received] If the U.S. imperialists and the South Korean puppets light the fuse of a new war indiscreetly, the five million young men and women will become rifles and bombs and strike an annihilating blow at the enemy. This was the determination of the Korean young people and it remains unchanged. The people are convinced of all victories, looking at their features.

In the proud chronicle of the Korean revolution that has advanced towards victory through a bloody road there are many known and unknown young heroes who devoted their lives for the party and the leader, the motherland and the people.

Kim Hyok who composed and disseminated the first revolutionary song of praise "Star of Korea", Kim Chin, the first one in the world who silenced the enemy's pillbox with his body in the 1930s, and Yi Su-pok, Kang Ho-yong, An Yong-ae and Cho Sun-ok who laid down their lives in defending the soil of the fatherland in the grim fatherland liberation war were all youths in their teens and twenties.

The socialist cause of Korea which was pioneered and faithfully inherited by the first and second generations of

the revolution is now being unswervingly carried forward today by the young men and women of the third and fourth generations.

The young people deeply conscious of their duty for the times are registering remarkable achievements in the construction of a socialist independent national economy. In recent years, they have splendidly completed scores of large-scale construction projects such as the Pyongyang-Kaesong express highway, the 800 km-long waterways on the west coast, streetcar rails in Pyongyang and dwelling houses for 30,000 families.

The construction of the world's leading West Sea barrage with three locks and 36 sluices cutting across an 8 km section of the wild sea, the vast construction and electrification of railways including the Hyesan-Manpo Youth line and the Wiyon-Motka line, the construction of the modern may day stadium and a number of public buildings in the capital were projects of monumental edifices undertaken by young people.

Korea remains unshaken in any roar of thunder because it has the young men and women who burn with love for the motherland and hatred for the enemy bent on encroaching upon the nation's sovereignty.

Bangladesh, Lao Military Officials Praise Army

SK2803102994 *Pyongyang KCNA in English*
1013 GMT 28 Mar 94

[Text] Pyongyang, March 28 (KCNA)—High-ranking military officials of Bangladesh and Laos laid stress on the might of the Korean People's Army.

Syed Abm Ashrafuzaman, a delegate of the Bangladeshi Armed Forces, said the KPA has now strengthened and developed into iron ranks corresponding to modern warfare as it has held dear Marshal Kim Chong-il in high esteem as its supreme commander. He stressed no one in the world equals the KPA with a proud history of invincibility that has the great brilliant commander as its supreme commander.

Osakanh Thammatheya, director of the General Political Department of the Laotian People's Army, said the KPA has developed into invincible ranks which can defeat any enemy at a blow, with thorough implementation of the policy of making the whole army modernized and turning the whole Army into a cadre army under the wise guidance of Comrade Kim Chong-il, supreme commander of the Korean People's Army.

He stressed the imperialists and the reactionaries should clearly understand the Armed Forces of Korea and act with discretion.

Talk Stresses Party's Leadership Ability

SK2803055794 Pyongyang Korean Central
Broadcasting Network in Korean 0200 GMT 24 Mar 94

[Unattributed talk: "Our Party Is a Great Party With an Iron-Like Will and Tested Leadership Ability"]

[Text] Our glorious party is brilliantly carrying out the chuche revolutionary cause with iron-like will and tested leadership ability. The iron-like will and tested leadership ability of our party have been more vigorously demonstrated in stern struggles recently.

The great leader Comrade Kim Il-song has taught: Recently, we have vigorously proven once again in the stern trials and struggles that our party is the great party with an iron-like will and tested leadership ability, that our people are the heroic people with a firm revolutionary faith and indomitable struggling spirit, and that socialism of our own style which embodied the chuche idea is the invincible socialism deeply rooted in the popular masses. The iron-like will and tested leadership ability are a basic criterion for the working class party leading the revolution. The working class party can overcome any trials, and victoriously lead the people, and consummate its historic cause to the end only if it cherishes the iron-like will and tested leadership ability. Therefore, it is very fortunate for the people to live under the leadership of the great party with an invincible might.

Today, our party has widely demonstrated its might as a great party with iron-like will and tested leadership ability by upholding the dear leader Comrade Kim Chong-il at the head. Above all, the iron-like will and tested leadership ability of our party are being clearly demonstrated in firmly leading our people on the socialist road, thus constantly upholding the revolutionary banner of the chuche idea.

The historic mission of the working class party lies in building the socialist and communist society. The will and leadership ability of the party can be vigorously demonstrated in adhering to the socialist cause and in leading it to victory. Furthermore, firmly adhering to the socialist cause and victoriously carrying it out today are emerging as important matters related to the destiny of mankind.

In recent years, socialism collapsed in some countries. With this, imperialists and reactionaries are babbling about socialism coming to an end. Also, they are more viciously conducting antisocialist plots. However, our party is firmly leading the socialist cause down the single road of chuche with its iron-like will and tested leadership ability that will not falter at any antisocialist plot. It is the invincible will of our party to endlessly consummate the socialist cause by upholding the banner of the chuche idea without the slightest hesitation and backwardness in any difficult situation or trial.

The dear leader Comrade Kim Chong-il's works, such as *The Historic Lesson of Socialist Construction and the General Line of Our Party*, *On the Fundamental Question of Revolutionary Party Building*, and *Abuses of Socialism Are Intolerable*, have vigorously demonstrated our party's determination on how it is firm in consummating the socialist cause. Our party has learned lessons from the collapse of socialism in some countries and is vigorously moving forward by invoking wisdom and by showing courage of turning a misfortune into a blessing, thus resolutely refuting the reactionaries' plots against socialism.

The dear leader Comrade Kim Chong-il has always made it a rule to solve all problems in conformity with the aspiration of the people and actual conditions of our country. The dear comrade leader has developed and consummated the chuche socialist idea and has enabled the popular masses to strongly arm themselves with it to strengthen the main force of the revolution. With its might, he has lead our country to be ever victorious.

Even when the socialist betrayers threw away the socialist principle and moved toward wholly accepting the capitalistic political method and economic system, we firmly adhered to the chuche-oriented position, thoroughly embodied the Taeae work system, and implemented the rural theses. This clearly proves our party's revolutionary leadership.

Truly, our party's leadership is a fundamental source that made it possible to further consolidate and develop socialism of our own style. Our party's iron-like will and refined leadership are also manifest in leading the revolution and construction toward endless upsurges with far-reaching aspirations and ideals and without the slightest stagnation or stalemate.

The socialist cause is a long-term cause that accompanies a serious social change and large scale construction work. This cause can advance victoriously only when endless struggle is launched through far-reaching aspirations and ideals. We are leading the socialist construction toward the one road of rapid progress without the slightest stagnation and stalemate by always highly upholding the banner of continued revolution. Here lies the resoluteness of the working-class party's will and invincible leadership.

Our party is an experienced and ambitious revolutionary party endlessly advancing and struggling with the far-reaching aspiration and ideal for the bright future of socialism and communism. Our party's firm position is to continue revolution to the end until imperialism is wiped out on this land and the banner of socialism's victory flies high. Therefore, our party is firmly adhering to and vigorously pushing ahead with the three revolutions—ideological, technological, and cultural—and is resolutely adhering to the revolutionary principle and socialist principle under whatever circumstance.

Because of our party's wise leadership which leads socialist construction by unfolding an extraordinary high

goal and far-reaching blueprint and mobilizes the popular masses' revolutionary enthusiasm and creativity to look ahead into the distant future, unprecedented miracles and innovations are being created in our country, and many great monumental creations that elucidate the era of the Workers Party are being built.

Our party has the strong will and militant base that does not yield to difficult situations, does not boast of victory, and which vigorously advances toward a new goal. Last year, on the occasion of the 40th anniversary of the victory of war, the party Central Committee announced its slogans to call the whole party, the whole country, and all the people, thus achieving a great revolutionary upsurge and brilliantly decorating the 40th anniversary of the victory of war as a great festival of victors. Also, at the 21st plenary meeting of the sixth party Central Committee, a revolutionary economic strategy organizing and mobilizing the whole party, the whole country, and all the people toward a new general march was presented. This is clear manifestation of our party's iron-like will and refined leadership.

Although our people were faced with great difficulties and barriers due to the unexpected international events and the acute situation created in the country, they consistently rose to create mass heroism and collective innovation without the slightest wavering and with revolutionary optimism and faith in victory, because of our party's leadership.

Today, our people are overflowing with confidence that when they move according to our party's leadership, there is nothing in this world that cannot be achieved and no trial or difficulty that cannot be resolutely overcome to occupy a high peak in socialism.

Possessed with an iron-like will and refined leadership, our party takes pride as a great party leading the socialist cause toward the one road of being ever victorious. This wholly lies in the fact that our party is highly upholding the dear leader Comrade Kim Chong-il. The dear comrade leader's iron faith and peerless courage comprise our party's iron-like will and his extraordinary ability and leadership capability comprise our party's refined leadership.

The faith and will possessed by the dear leader Comrade Kim Chong-il is an iron-like will which does not waver with any kind of thunder and lightning and which does not shake even with the attack of a myriad of powerful enemies. It is also a peerless courage that achieves victory in revolution by turning misfortune to good fortune and an adverse situation into a favorable one.

The dear leader Comrade Kim Chong-il's leadership is shown in the great decisive step of taking the initiative to overcome difficulties in revolution through dauntless operations; in the extraordinary organizational capability of achieving the final victory ahead of schedule by always thrusting oneself toward the attack line; and in the revolutionary leadership art that provides a new

upsurge of revolutionary offensive by calling forth at once the whole party, all the people, and the whole country.

Because the dear leader Comrade Kim Chong-il's wise leadership encompasses wisdom of keen insight, peerless courage, and refined leadership, our party is highly manifesting to the whole world, the dignity of a militant party which possesses invincible, ever-victorious leadership, and our party is highly manifesting to the whole world the dignity of a heroic people possessed with revolutionary faith.

Our people will adhere to the socialist banner according to the leadership of the great party and leader [suryong] to the end, and will brilliantly build socialism of our own style centered on the popular masses.

Cement Production Reported Increasing

*SK2603224994 Pyongyang KCNA in English
1503 GMT 26 Mar 94*

[Text] Pyongyang, March 26 (KCNA)—Cement output is moving upward in Korea.

According to data available at the Ministry of Building Materials Industry, it showed a 20 percent gain in the first two months or more of this year as against the same period last year. The output in 20 odd days of March was 10,000 tons more than in the comparable period of the previous month.

The cement industry of Korea has a great potential. There are in the country hundreds of large and minor cement factories, among them the 3 million ton-capacity Sunchon cement complex and the 2 million ton-capacity Sangwon cement complex. Inexhaustible deposits of raw materials and fuel for cement are found in all parts of the country. There are more than one hundred of seams of limestone, the basic raw material of cement, and coal deposits run into tens of billions of tons.

The independent and modern cement industry which is developing in reliance upon rich domestic raw materials and fuel firmly guarantees the economic construction of the country. This is graphically illustrated by the construction of vast scale during the Third Seven-Year Plan period (1987-1993). In that period the construction of major projects including power bases, metal industrial bases and chemical industrial bases was pushed forward bringing more than 11,000 projects to completion in the industrial sector alone.

The monument to the Victorious Fatherland Liberation War, the Three-Revolution Exhibition, the Mangyongdae School Children's Palace, the May Day Stadium, gymnasiums in Chongchun Street and many other monumental edifices were built in the capital city of Pyongyang and upwards of 3,200 educational, cultural and health care institutions, various welfare service facilities and residential houses for over 1 million families were constructed throughout the country.

The state satisfactorily met the demand for cement in this vast construction with domestic products, and exported a large quantity of it.

The renowned Korean cement of "Kumgang" brand was awarded twice the gold medal on the international market.

First Quarter Production Quotas Fulfilled

*SK2603230294 Pyongyang KCNA in English
1507 GMT 26 Mar 94*

[Text] Pyongyang, March 26 (KCNA)—Many units of the national economy of Korea have fulfilled their first quarterly assignments ahead of schedule.

As of March 20, the Korean Silk Association had carried out its first quarterly plan at 101.2 percent. Setting itself the goal of fulfilling its plan for the first half of the year ahead of time, it is producing more silk yarn and textile than envisaged in the daily plan.

The Taegak mine, the Unsan forestry station and the Kumchon disabled soldiers daily necessities factory hit their first quarterly targets more than one month ahead of schedule. They had overfulfilled their daily quotas through an extensive movement for increased production from the beginning of the year.

Notably, the October 13 youth smeltery has brought an unprecedented upswing in production by actively introducing new technology and advanced work methods into production, topping its first quarterly assignment 35.7 percent on February 15.

First quarterly assignments have been fulfilled far ahead of schedule by many other units including the May 24 export fishery station, the Chiktong geological survey team and Unjon, Yonan, Paechon and Haeju youth railway stations.

South Korea

UN Security Council 28 Mar Meeting Reported

*SK2903023994 Seoul YONHAP in English 0220 GMT
29 Mar 94*

[Text] New York, March 28 (YONHAP)—The United Nations Security Council held a closed-door meeting Monday but failed to make any decisions on resolving the North Korean nuclear problem.

China strongly opposed the adoption of a resolution tabled by the United States and demanded a statement in the name of the council president instead.

In addition, China requested that the statement be far milder in content than the draft resolution.

In view of this position, the United States, Britain, France, Russia and China held consultations after the

plenary session to adjust their differences on the form and content of the council's future action.

The United States, Britain and France upheld their support for adoption of the resolution in principle, but might consent to the council president's statement as China demanded if it is similar to the draft resolution in content, a diplomatic source here said.

According to the source, China demanded that the fifth provision of the U.S.-drafted resolution—"the UN Security Council will consider additional measures if necessary"—be removed in the statement.

Chen Jian, deputy chief of the Chinese Mission to the United Nations, told reporters after the meeting that China favors the council president's statement which does not include any threatening terms.

A source here said the United States may concede to China in adopting the statement to ensure Beijing's participation in further UN steps on the North Korean issue.

Washington will likely compromise by referring to additional council measures in a roundabout way in the statement.

The Security Council plans to hold a permanent members' meeting and a closed-door plenary session on Tuesday to continue discussions on the form and content of measures.

Meanwhile, South Korean Foreign Minister Han Sung-chu may express his support for a statement by the council president rather than the U.S.-drafted resolution.

Han is scheduled to arrive at UN headquarters in New York on Thursday.

UNSC Circulates Draft Resolution on DPRK

*SK2603055094 Seoul YONHAP in English 0517 GMT
26 Mar 94*

[Text] United Nations, March 25 (YONHAP)—The U.N. Security Council [UNSC] on Friday circulated among its 15 member countries a draft resolution asking the International Atomic Energy Agency (IAEA) to report back to the council on whether North Korea has fulfilled its nuclear safeguards obligations within one month of the resolution's adoption.

The U.S.-drafted resolution indirectly warns that unless North Korea accepts further IAEA inspections within a month of its adoption, the Security Council will take additional action.

The draft was circulated at a closed-door session held Friday afternoon local time.

In addition, the draft resolution states that the Security Council will continue to handle the North Korean nuclear question and will, if necessary, consider further action.

A source here said that most Security Council members, including such permanent members as the United Kingdom, France and Russia, support the draft. China and Pakistan are opposed, he said.

Earlier in the day, China, through individual contacts with other member countries, advocated adopting a statement by the council president instead of a resolution.

At the afternoon session, however, China stressed that the manifestation of the council's posture should be affirmative, objective and moderate in content, according to British Ambassador David Hannay.

Chinese Deputy Ambassador Chen Jian left halfway through the meeting and told reporters that the nuclear issue is very sensitive and should be resolved through continued negotiations among the parties involved.

Ambassador Hannay said a broad consensus had been reached on the draft resolution among council members. He foresaw few problems in its passage.

Russian Ambassador Yuriy Boronchev expressed support for the draft resolution, saying that it contained the minimum necessary items.

The resolution will likely be put to a vote toward the end of this month, Ambassador Hannay said.

The Security Council will meet behind closed doors again on March 28 to continue discussing the draft.

'Text' of UN Draft on DPRK

SK2703015294 Seoul THE KOREA TIMES in English
27 Mar 94 p 5

(Text) United Nations—Following is the text of a proposed Security Council resolution calling on North Korea to permit completion of an inspection by a team from the International Atomic Energy Agency (IAEA) to verify there has been no diversion of nuclear materials.

IAEA inspectors were in North Korea from March 3 to 14 but the agency says they were not allowed to carry out all required activities.

The resolution, still subject to amendment, is expected to be voted on some time next week.

The Security Council,

- Recalling its resolution 825 (1993), and the statement made by the President of the Council on 9 April 1993,
- Reaffirming the critical importance of International Atomic Energy Agency (IAEA) safeguards in the implementation of the Treaty on the Nonproliferation of Nuclear Weapons (the Treaty) and the contribution

which progress in nonproliferation makes to the maintenance of international peace and security,

- Endorsing and commending the efforts of the Director-General of the IAEA and the IAEA Secretariat to implement the IAEA-Democratic People's Republic of Korea (DPRK) safeguards agreement (INFCIRC/403)
 - Recalling the expressed willingness of the DPRK to seek a proper settlement of the nuclear safeguards issue in the DPRK within the framework of resolution 825 (1993),
 - Reaffirming the importance of the Joint Declaration by the DPRK and the Republic of Korea (ROK) on the denuclearization of the Korean peninsula, and of the parties to that declaration addressing the nuclear issue in their continuing dialogue,
 - Having considered with grave concern the IAEA Board of Governors' findings contained in its resolution of 21 March 1994 that the DPRK is in further non-compliance with its safeguards agreement, and has aggravated this situation by not allowing IAEA inspectors, as agreed between the IAEA and DPRK on 15 February 1994, to conduct indispensable inspection activities at their seven declared nuclear sites,
 - Deploring the fact that the IAEA is, therefore, still unable to verify that there has been no diversion of nuclear material required to be safeguarded under the terms of the IAEA-DPRK safeguards agreement to nuclear weapons or other nuclear explosive devices,
1. Urges the DPRK to allow the IAEA inspectors to complete the inspection activities agreed between the IAEA and the DPRK on Feb. 15 1994, as the first step in fulfilling its obligations under the IAEA-DPRK safeguards agreement and in honoring its nonproliferation obligations under the Treaty;
 2. Requests the director-general of the IAEA to report to the Security Council within one month of the adoption of the present resolution on the implementation of the IAEA-DPRK safeguards agreement;
 3. Requests the DPRK and ROK to renew discussions whose purpose is implementation of the Joint Declaration on the denuclearization of the Korean peninsula;
 4. Requests further that those member states engaged in dialogue with the DPRK to facilitate a solution in accordance with resolution 825 (1993) continue that dialogue, after the IAEA completes all inspections at their seven declared nuclear sites necessary to verify that there has been no diversion of nuclear material since earlier inspections;
 5. Decides to remain actively seized of the matter and to consider further Security Council action if necessary.

Russia Reportedly To Support UNSC Resolution*SK2903021094 Seoul YONHAP in English 0121 GMT 29 Mar 94*

[Text] Seoul, March 29 (YONHAP)—Russia would support a United Nations Security Council resolution calling on North Korea to accept nuclear inspections, while seeking an international meeting to discuss the issue attended by South and North Korea, the United States, Japan, Russia, China, the United Nations and the International Atomic Energy Agency [IAEA], Radio Moscow reported Monday.

According to NAEWOE PRESS, Seoul's official monitor of communist countries' news media, the radio said, "Moscow would support a UN Security Council resolution calling for North Korea to observe its obligations to the IAEA under the framework of the nuclear non-proliferation treaty."

Moreover, Russia thinks that neighboring countries' efforts to solve the problem are not enough so it will try to hold an international meeting of delegates from South and North Korea, Japan, Russia, China, the United States, the UN secretary-general and the IAEA director-general, the radio said.

Radio Moscow, citing the scheduled deployment of Patriot missiles in South Korea and Pyongyang's objections to the move, said, "the tension on the Korean peninsula is worsening and under these circumstances, Russia's idea on holding an international meeting is useful and pressing."

Foreign Minister To Address UN on DPRK Issue*SK2903025894 Seoul KBS-1 Radio Network in Korean 0200 GMT 29 Mar 94*

[Text] It has been learned that ROK Foreign Minister Han Sung-chu will attend the UN Security Council meeting on 31 March to deliver a speech in support of approaching the North Korean nuclear issue with a statement by the UN Security Council. This will be the first time an ROK foreign minister has officially presented the ROK Government's position before the UN Security Council. Noting that the current crisis on the Korean peninsula is caused by lack of guarantee on North Korea's nuclear transparency, Minister Han Sung-chu will urge additional inspections on North Korean nuclear facilities. Minister Han Sung-chu will also stress that the international community's alliance system needs to be firm in order to resolve the North Korean nuclear issue and that an extreme situation should not develop on the Korean peninsula.

DPRK Envoy: No First Attack on Nuclear Issue*SK2903110494 Seoul YONHAP in English 1023 GMT 29 Mar 94*

[Text] Bangkok, March 29 (YONHAP)—A senior North Korean official here asserted on Tuesday that the United

States is to be blamed for the tension on the Korean peninsula over the nuclear question, arguing that peaceful resolution of the nuclear issue is up entirely to the United States.

In a prepared statement at a press conference held at the Foreign Correspondents Club here in Bangkok, North Korean Ambassador to Thailand Yi To-son said the only method of peaceful settlement of the nuclear question is for North Korea and the United States to adopt a "package deal."

On the possibility of North Korea's acceptance of re-inspection by the International Atomic Energy Agency (IAEA), Yi said, "this, too, depends on the outcome of our negotiations with the United States because the nuclear question lies not in technical matters but in political ones."

The North Korean envoy stressed that North Korea will under no circumstance be the first to unleash an armed provocation over the nuclear question.

He said if South Korea and the United States invade North Korea, "our country would be destroyed."

Asked what would become of the North Korean economy if the UN Security Council adopts a sanction against North Korea, Yi said that even if a sanction were applied, North Korea would fully stand it because "we have run our economy on our own with our technology, resources, work forces and facilities over a long period of time."

He added that his understanding is that Japan and the United States have already begun to apply economic sanctions against North Korea.

Yi also charged the United States with taking the lead in efforts to invoke a sanction against North Korea through the U.N. Security Council by pushing ahead with the deployment of Patriot missiles in Korea and staging of the Team Spirit military exercise as planned.

"All pressures against us would only delay the settlement of the nuclear issues and make the problem more complicated, leading North Korea to withdraw completely from the nuclear Nonproliferation Treaty," he said.

Regarding the issue of exchanging special envoys between South and North Korea, Yi asserted that "South Korea distorted the significance of the proposed exchange of special envoys by making it appear as if the exchange is designed merely to discuss the nuclear issue."

"South Korea has thus applied a brake to the dialogue between North Korea and the United States," he said.

Opposition Disagrees on Nuclear Issue Solution

SK2503020394 Seoul THE KOREA HERALD in English 25 Mar 94 p 2

[Text] Leaders of the main opposition Democratic Party [DP] are greatly embarrassed these days by the worsening North Korea nuclear row.

The DP has had to change part of its North Korean policy after a Pyongyang official threatened to turn Seoul into "a sea of fire" last week.

The party had insisted on a peaceful solution of the nuclear issue through dialogue.

The party used to stress an "independent" diplomacy, calling for talks among the three concerned parties—South and North Korea and the United States.

But signs of changes in the DP's stance on the North Korean issue have been increasingly conspicuous since last week.

Some DP lawmakers have carefully raised the opinion that the government should refer the nuclear problem to two-way talks between Pyongyang and Washington.

They insist that exchange of special envoys between South and North Korea should not be a precondition to the IAEA's full-scale inspection of the North's nuclear facilities.

"Instead, the government has to concentrate on closer economic exchange with the North," a senior DP official said.

"The principle of independent diplomacy should be changed, depending on the circumstances," he said.

DP leaders have rushed to plan a strategy to cope with the rising tensions on the Korean Peninsula.

Members of the DP Supreme Council have met every day since last week to decide the party's official position toward the ongoing crisis in the inter-Korean relations.

However, they have failed to reach consensus so far because of sharply dissenting views among them.

The DP leaders complained that the Seoul government is largely responsible for both the deadlock in the nuclear problem and the rupture of the inter-Korean talks.

"Our security-related authorities lack consistent North Korean policies. They have vacillated between tough and moderate lines," a Supreme Council member said.

Despite some signs of change, the DP remains unchanged in its stance toward the North Korean problem in many areas.

'Voices of Caution' on DPRK Said Decreasing

SK2603020194 Seoul THE KOREA HERALD in English 26 Mar 94 p 3

[By staff reporter Yi Song-yul]

[Text] Following North Korea's repeated intimidation of going to war against the South and the United States, the pro-con debates on the resumption of Team Spirit military exercise and deployment of Patriot anti-air missiles in the South seem to have almost ended.

During the months leading to an inter-Korea contact last week when a North Korea official said that "Seoul would turn into a sea of flames," not a few South Koreans had opposed or sounded notes of caution about any military approach toward the issue surrounding North Korea's nuclear issue.

But now, such voices of caution or opposition have nearly disappeared in the South.

Those who had called for "prudence" are now silent to the argument that "North Koreans already possess Scud and Nodong missiles, some of which can even hit Japan and Taiwan, so we should not oppose deployment of the defensive Patriot antimissile missiles to U.S. Forces Korea."

They previously suggested that the deployment may "unnecessarily irritate" North Koreans, calling for continued dialogue with North Koreans in settling the North Korean nuclear issue.

The opposition Democratic Party also called for prudence on the part of Seoul and Washington in deciding deployment of Patriots and resumption of Team Spirit, the annual joint military exercise.

Others who welcome Patriot missiles say that deployment of the anti-air missiles to the U.S. forces in South Korea "is the minimum defensive gesture Seoul and Washington can and should take at this moment."

"Patriots are a purely defensive weapon, and what's wrong with the defending forces having them?" said a Defense Ministry official. "And is it okay that jingoistic and bellicose North Koreans develop and possess offensive Scud and Nodong missiles?"

Regarding resumption of Team Spirit '94, "we have crossed the Rubicon," as a Defense Ministry official puts it.

Six Patriot batteries and 850 U.S. Army soldiers have already been shipped from Fort Bliss, Tex., most probably to take part in Team Spirit, which, previously scheduled for late March, should be rescheduled.

Shortly after the International Atomic Energy Agency (IAEA) decided that its recent inspections of nuclear sites in the North had been unsatisfactory, U.S. President Bill Clinton announced he had approved shipping

the Patriot batteries to South Korea. Before that, President Kim Yong-sam in Seoul announced agreement to the Patriots deployment and resumption of Team Spirit.

But the military move will be slow—the six missile batteries will take four to six weeks to reach South Korea. That leaves plenty of time for Seoul and Washington to try diplomatic and economic pressure to pry open North Korea's suspected nuclear sites for full-fledged international inspection.

North Korea, which has intentionally broken inter-Korean dialogue, fervently condemned the move to send Patriot batteries to the South and resume Team Spirit joint military exercise.

The North Korean ambassador to China said holding the exercise and deploying the missiles could lead to war.

But Defense Minister Yi Pyong-tae said Wednesday that resumption of the exercise had become inevitable since North Korea has not met two preconditions Seoul and Washington officials set for its suspension.

"When the exercise timetable is set after President Kim's return from state visits to Tokyo and Beijing March 30, it cannot be suspended again since that would have a negative effect on troop morale," Yi said before a National Assembly Committee.

Now it seems certain that Team Spirit for this year will be conducted, with the participation of Patriot missiles, more South Korean and U.S. troops and more warships.

Defense Ministry officials said the Patriots being sent here are an improved version of the missiles used during the Gulf War and can effectively counter North Korean Scuds.

The 48 launchers being sent are capable of intercepting as many as 54 targets simultaneously, the officials said.

A typical Patriot battalion is comprised of three to six batteries, with eight launchers each. Each launcher has four missiles.

So far, the only shots fired have been verbal, if incendiary, but much seems to depend on Pyongyang's attitude before real shots are fired.

Nuclear Issue 'Obstacle' to Tourism Industry

SK2603041594 Seoul YONHAP in English 0253 GMT 26 Mar 94

[Text] Seoul, March 26 (YONHAP)—The North Korean nuclear dispute is a huge obstacle to attracting foreign tourists in "Visit Korea Year '94," tourism sources said Saturday.

News media in the United States and Japan carried successive stories on issues related to the nuclear problem this week, including possible United Nations sanctions against North Korea, deployment of Patriot missiles in South Korea and growing tension on the

peninsula, all of which have probably discouraged foreigners from wanting to visit.

Many foreign tourists are voicing concerns to the overseas offices of the Korea National Tourism Corp. (KNTC), hotels and travel agents about their safety in Seoul.

This is partly caused by exaggerated reports on the nuclear row carried by the American media, the sources said.

The U.S. State Department has yet to designate South Korea as a danger area in its travel advisory, but if the United Nations imposes economic sanctions on the North or Patriot missiles are deployed in the South, the country is likely to earn this dubious distinction.

The travel advisory is important since other nations' tourism industries regard it as a reliable recommendation: If South Korea is listed as a dangerous area, the number of foreign tourists is likely to decline sharply, the sources said.

Some Japanese tourists, citing deep concerns about the nuclear problem, have canceled planned visits to Seoul in April and May. Japanese account for nearly half of the total foreign tourists, so their cancellation of tours to South Korea will weaken the tourism industry here.

The director-general of the Tourism Bureau at the Transportation Ministry, Chong Chong-hwan, said, "it has not reached a point where tourists should worry much about the problem now. But we have ordered the overseas offices of the KNTC to ensure that foreigners know their security is guaranteed here."

Nuclear Issue Tensions Affect Stock Market

SK2603064594 Seoul YONHAP in English 0601 GMT 26 Mar 94

[Text] Seoul, March 26 (YONHAP)—The stock market turned in a bleak performance in a week influenced by strained inter-Korean relations and rumors of financial difficulties among listed firms.

The leading composite stock price index slid 21.31 points in the week ending Saturday, March 26, from 893.99 the previous Saturday to 872.68.

Early in the week, share prices took a downturn due to the buildup of tension over the North Korean nuclear question and an anticipated financial pinch toward the end of the month.

Late in the week prices rebounded, fueled by rising small- and medium-sized issues and rumors of additional market deregulation.

But the rise was short-lived with prices again falling amid rumors that some listed firms were beset with financial problems and heavy selling by institutional investors.

Nearly all issues other than fisheries, prefabricated metal and miscellaneous manufacturing declined. The slide in the insurance, inland transportation and lumber sectors was especially steep.

Volume in the week was 180.52 million shares, a drop of 19.9 percent from the previous week when it stood at 216.40 million shares. The daily average was 30.08 million.

Turnover amounted to 3,091 billion won or 515.2 billion won a day compared with 4,232.6 billion won (705.4 billion won a day) the previous week.

During the week, institutional investors bought more than they sold while foreign investors did far more selling than buying.

Institutional investors' selling amounted to 719.4 billion won or 21.7 percent of the total while their buying came to 794.7 billion won (23.9 percent).

Selling by foreign investors reached 146.4 billion won and they bought shares worth 42.2 billion won, representing 4.4 and 1.3 percent of the total, respectively. In the previous week, foreigners sold shares worth 64.0 billion won and purchased 49.8 billion won worth.

Stock players' deposits declined 48.9 billion won in the week ending March 24 from 3,320.9 billion won on March 17 to 3,271.9 billion won.

Market analysts said that favorable future factors for the Korean bourse include the economy's reported entry into a full recovery course, President Kim Yong-sam's visit to China and permission for listed firms to purchase their own shares beginning next month.

On the other hand, adverse factors include strained inter-Korean relations over the nuclear question, growing demand for funds by companies toward the end of the month, predominant selling by foreign investors and an anticipated deterioration of market demand and supply conditions, the analysts said.

Plan To Resume Team Spirit Said Not Changed

SK2803123694 Seoul YONHAP in English 1155 GMT 28 Mar 94

[Text] Seoul, March 28 (YONHAP)—A Defense Ministry official on Monday denied the ASAHI SHIMBUN report that South Korea seems to have cancelled its plan to resume the '94 Team Spirit military exercise.

"No decision has been made on such a cancellation," the official said.

In a dispatch from Seoul, the Japanese daily said Monday it appears South Korea scrapped a plan to resume the '94 Team Spirit military exercise, a plan which Seoul made following North Korea's rejection of overall nuclear inspection by the International Atomic Energy Agency.

ASAHI said that a final decision on the withdrawal of the plan to resume the joint Korea-U.S. exercise would be made after South Korean Foreign Minister Han Sung-chu, now accompanying President Kim Yong-sam to China, would fly to Washington following his Beijing visit and inform the U.S. of the Seoul decision.

Editorial Cautions Against U.S. Trade Pressure

SK2903072594 Seoul HANGUK ILBO in Korean 29 Mar 94 p 3

[Editorial: "The Super 301 Provision and the Uruguay Round"]

[Text] The U.S. Government is likely to make strong demands on our country's opening of its auto market in the 16th ROK-U.S. working-level trade talks to be held 4-5 April in Washington. This demand is not new. In previous working-level talks held in Seoul in early March, the United States also demanded that the ROK call off its differential tariff and tax rate system as well as lower tariff rates to promote imports of large U.S. cars. However, we are particularly concerned with the upcoming talks because the United States has implicitly warned that "it may invoke the Super 301 provision unless the ROK opens its auto market." The U.S. Government announced in March that it will revive the Super 301 provision in two years. It intends to spot by 30 September "countries that are unfairly controlling imports of U.S. goods" as "target countries for priority negotiations" and demand that they call off or adjust their "unfair import controls." The United States also intends to take retaliatory procedures against them unless these countries meet demands.

U.S. Trade Representative Mickey Kantor insists that the revival of the Super 301 provision coincides with the principle of the General Agreement on Tariffs and Trade [GATT] and it is not aimed at a specific country. Countries interpret his insistence differently. Japan, is particularly opposed to this, saying that it will file a lawsuit to the GATT if the United States imposes trade retaliation according to the Super 301 clause. Our government also criticized the clause for clearly contradicting the spirit of the Uruguay Round [UR] negotiations. In the GATT Board of Governors meeting held last week, major member nations of the Board of Governors denounced the Super 301 provision as a means for unilateral trade retaliation and criticized it for threatening the inauguration of the multilateral UR trade system.

The United States is searching for excuses in saying that it intends not to close U.S. markets, but to expand free trade by opening other countries' markets wider. The U.S. intends to remove trade barriers to open the market of each of its trade partners, through multilateral agreements whenever possible, and through bilateral negotiations, when necessary. The United States sees the Super

301 clause as coinciding with UR principles since it considers the conclusion of UR negotiations a step towards market opening.

The U.S. insistence, however, must be based on an objective and universal view for the treaty to be proved fair and just. The UR negotiations have been concluded for this purpose. As the Super 301 clause unilaterally insisted upon by the U.S. as aiming only to open the markets of its trade partners does not exclude trade retaliation, it is hardly convincing to the international community. In addition, one cannot help but point out that the GATT has a tendency of attaching more importance to results in free trade than on principles and procedures for expanding free trade since it is based on principles of pragmatism.

We should, in particular, take notice of the clear fact that, although the United States denies it, the Super 301 clause targets certain countries. While the United States seems to consider Japan as its main target, the ROK is not exempt from being a target, either.

Papers View Kim-Jiang Zemin Summit in Beijing *SK2903101694*

[Editorial Report] Seoul vernacular newspapers on 29 March carry editorials on ROK President Kim Yong-sam's meeting with PRC President Jiang Zemin regarding the North Korean nuclear issue.

The moderate TONG-A ILBO carries on page 3 an 800-word editorial entitled "A Pledge of Dialogue and Cooperation." Noting the significance of the ROK-PRC summit talks to discuss the North Korean nuclear issue, as well as economic cooperation between the two countries, the report says it is considered desirable that the two leaders of the ROK and PRC have agreed to support denuclearization on the Korean peninsula and to work together for the settlement of the nuclear issue on the Korean peninsula.

Referring to their agreement to resolve the North Korean nuclear issue by urging North Korea to accept additional nuclear inspection by a team from the International Atomic Energy Agency [IAEA] based on a statement issued by the president of the UN Security Council rather than a resolution, the report says, "this is consistent with the position and principle of the Chinese Government in dealing with the Korean peninsula issue or the North Korean nuclear issue."

Noting President Jiang Zemin's remarks calling for the settlement of the North Korean nuclear issue peacefully through dialogues between the United States and North Korea, between the North and South, and between North Korea and the IAEA, the report says, "it is possible that President Jiang Zemin's remarks may cause the North Korean nuclear issue to remain unsettled, considering the fact that the suspicion of the nuclear issue cannot be dispelled unless North Korea accepts the additional nuclear inspections within six weeks."

Referring to the need for China's active participation in resolving the North Korean nuclear issue, the report says that it is important to settle the North Korean nuclear issue in order to promote economic cooperation and exchange of cultures between the two countries.

The pro-government SEOUL SINMUN carries on page 3 an 800-word editorial entitled "The Cooperation by the Two Leaders of the ROK and PRC Regarding the North Korean Nuclear Issue."

Referring to the agreement to jointly make efforts to denuclearize the Korean peninsula and to the importance of the ROK-PRC summit talks in resolving the North Korean nuclear issue, the report says: "It is very significant that the ROK and the PRC have the same opinion that peace and security on the Korean peninsula are very important in achieving prosperity in the Northeast Asia."

Noting a pledge of security on the Korean peninsula made during the ROK-PRC summit talks, the report says, "in other words, this is China's pledge indicating that it will never forgive any threat posed to peace and security on the Korean peninsula. This can be regarded as the most powerful wedge to prevent North Korea from invading South Korea."

The report concludes that President Kim Yong-sam's ongoing visit to China serves as a firm foundation for the development of ROK-PRC relations.

Effects of Kim's Trip on DPRK Issue Viewed *SK2903022194 Seoul YONHAP in English 0149 GMT* *29 Mar 94*

[By Yi Tong-min]

[Text] Seoul, March 29 (YONHAP)—South Korean President Kim Yong-sam's Japan-China tour has put the brakes on the North Korean nuclear engine that was speeding toward UN sanctions.

In Japan, Kim and Prime Minister Morihiro Hosokawa noted the importance of internationally coordinated efforts to solve the nuclear problem, especially among South Korea, Japan, China and the United States.

While the two leaders did not rule out the possibility of UN sanctions, they agreed that the channel for dialogue should be left open.

In China, President Jiang Zemin's downright opposition to sanctions turned the process completely around in the direction of negotiations.

The crisis over North Korea was reaching a new peak and the voices of hard-liners in South Korea and its allies were getting louder before Kim embarked on his trip, especially after Pyongyang threatened war by turning Seoul into a "sea of fire."

The UN Security Council hastily convened to discuss adopting a resolution, setting a deadline for North Korea to accept nuclear inspections.

But after Kim's trip, the emphasis is on giving Pyongyang one more chance. Developments here coincide with a turnaround at the Security Council, which now plans to issue a statement in the council president's name instead of adopting a resolution.

Officials in Seoul indicated they are willing to go along with the Chinese proposal to ensure Beijing takes part in international action.

The participation of China, about the only remaining North Korean ally, is the single most important element in persuading Pyongyang that it can no longer count on Beijing's support and in guaranteeing the effectiveness of sanctions.

Japanese and Chinese concerns became clear during Kim's visit—their fear of armed conflict on the Korean peninsula which would put their own national security and economies at stake. Jiang went as far as saying that peace in the region is a prerequisite to China's continued economic growth.

Seoul's and Washington's choice is now to wait a little longer rather than risk China's opposition in case a resolution is put to a council vote.

Behind this choice is the calculation that if North Korea continues to refuse inspections, Beijing will then lose all justification in demanding further negotiations.

South Korean Foreign Minister Han Sung-chu leaves for Washington directly from Beijing to brief U.S. officials on the results of the Japan and China summits.

He will apparently convey China's insistence on additional diplomatic efforts and discuss how to get North Korea to come back to the negotiating table.

Hans Blix, director-general of the International Atomic Energy Agency (IAEA), said his inspection team has to re-enter North Korea within six weeks.

Seoul and Washington, in their attempts at dialogue with Pyongyang, are expected to withhold a decision on staging their joint military maneuvers "Team Spirit" until after the six weeks is up.

Now that the international mood is tipping toward further dialogue with North Korea, it is Pyongyang's turn to respond.

Foreign Minister Admonished on PRC Proposal **SK2903094494**

[Editorial Report] ROK vernacular newspapers on 29 March carry editorials and articles on ROK Foreign Minister Han Sung-chu's "hasty" support for the PRC

proposal that the UN Security Council president issue a statement on the North Korean nuclear issue instead of a resolution.

The moderate CHOSON ILBO publishes on page 3 an 800-word editorial entitled "Diplomatic Authorities Should Watch Their Words." While positively recognizing the significance of China's new proposal, the editorial says it is "strategically and technically" inappropriate for ROK diplomats to say "yes" so promptly.

The editorial questions if Minister Han had sufficient discussion with security-related ministers regarding this issue, and even if he had, the editorial says before conveying acceptance, the ROK should have persistently asked China what it will do when sanctions on North Korea become inevitable even after a UN Security Council president's statement.

The editorial also mentions the possibility of having China accept more of ROK's position on economic cooperation since the ROK accepted China's opinion on the nuclear issue.

The moderate HANGUK ILBO publishes on page 3 an 800-word editorial entitled "Even Though A Cooperation System on the North Korean Nuclear Issue Is Established." The editorial criticizes that "China is using the North Korean nuclear issue to obtain better conditions in its negotiations on human rights and most-favored-nation status with the United States, and economic cooperation with the ROK."

Noting that the United States, United Kingdom, France, and Russia have exerted their own efforts to resolve the nuclear issue, the editorial defines Minister Han's support without consultation with allies as a "hasty" decision.

The editorial further stresses that if a statement is to be adopted, it should strongly urge North Korea to accept additional inspection, resume North-South dialogue, and provide a fixed deadline.

HANGUK ILBO also publishes on page 5 a 1,000-word article dispatched from UN headquarters by correspondent Kim Su-chong. The article observes that 15 member states of the UN Security Council are inclined to agree to China's proposal and that the United States would have no reason to insist on a resolution when the ROK supports the new proposal.

The article then details the points to which China disagreed from the draft resolution and its proposal of "a positive, objective, and moderate expression."

The article reports that interests will be focused on China's role after the statement is adopted. Recalling that China said it was not in a position to exercise influence on North Korea last year, the article analyzes that China has changed its attitude by telling the ROK permanent representative to the United Nations that "China is exerting its efforts needed in the situation".

President Kim Yong-sam's Visit to China Reported

WA2803184494

For reportage on the visit by President Kim Yong-sam to China, please see the Northeast Asia section of the 28 March China DAILY REPORT and subsequent issues.

Meetings, Comments of Mikhail Gorbachev Noted**Meets With Prime Minister 26 Mar**SK2603080594 Seoul YONHAP in English 0716 GMT
26 Mar 94

[Text] Seoul, March 26 (YONHAP)—Prime Minister Yi Hoe-chang received Former Soviet President Mikhail Gorbachev on Saturday morning and discussed North Korean nuclear problem and situation on the Korean peninsula and northeast Asia.

Yi said that reform policy by former Soviet Union exerted a great influence on world countries including many East European countries.

"But it is regrettable to see that North Korea does not show any sign of change," he said.

Gorbachev said that he knows very well South Korea is making efforts in resolving the problem on the Korean peninsula and expected that North Korea will change after all as the entire world is changing.

Gorbachev came here Friday at the invitation of the Federation for World Peace, an academic organization established by the Rev. Mun Son-myong, founder of the Unification Church.

Discusses DPRK Nuclear IssueSK2703014594 Seoul THE KOREA TIMES in English
27 Mar 94 p 3

[Text] Former Soviet President Mikhail Gorbachev ruled out the possibility of the North Korean nuclear issue being "resolved by military means or dramatically settled in a short time."

"The international community will have to resort to peaceful and political means to resolve the North Korean nuclear row," said Gorbachev in a press conference in Seoul.

He came here to take part in the 2nd World Peace Conference, sponsored by the World Peace Foundation and the Segye Times, both affiliated with the Rev. Mun Son-myong's Unification Church.

"There is almost no possibility of the current crisis leading to an armed conflict. Things will get better as time goes by," said Gorbachev.

"However, the world shouldn't tolerate any country moving to break international treaties and violating the Nuclear Non-Proliferation Treaty," he said.

Meanwhile, Gorbachev, recalling his times as president of the now-defunct Soviet Union, denounced the West, particularly the United States, for "talking much about nuclear arms reduction without taking no practical actions."

"I took the initiative to dramatically reduce nuclear weapons and erase them from the Earth by the year 2000. But the West didn't heed my call. They thought my proposal went against their national interests," Gorbachev said.

He added that the West seemed to have regarded his initiative as "propaganda from a communist country or a naive approach."

Gorbachev warned against "ideologies being linked to political affairs" and the international community should seek a peaceful resolution to armed conflicts by fully taking into account each country's diverse situations.

When asked whether he has any channel of contact with North Korea, Gorbachev said "I don't have any. I am not a political figure now but a social worker."

"Russia has paid attention to Asian countries including Japan, China and South and North Korea. The attention has been increasing since the collapse of the Soviet Union," he said.

Gorbachev is president of the International Foundation for Socio-Economic and Political Studies, better known as the Gorbachev Foundation. He flew into Seoul with his wife Raisa Friday after wrapping up a six-day visit to Taiwan.

Meets National Assembly SpeakerSK2803061794 Seoul YONHAP in English 0539 GMT
28 Mar 94

[Text] Seoul, March 28 (YONHAP)—Former Soviet President Mikhail Gorbachev predicted Monday that North Korea would have to change amid the current of reform that is sweeping the world.

"All kinds of reform that are taking place internationally will ultimately affect North Korea," Gorbachev told the speaker of the National Assembly, Yi Man-sop.

"When we reflect on the experience of German unification, we cannot doubt that Korea will eventually be unified one day," said Gorbachev during a courtesy call on Yi.

Gorbachev, accompanied by his wife, arrived in Seoul last Friday to attend the second world peace conference, which is sponsored by the Washington-based World Peace Federation, an affiliate of the Rev. Mun Son-myong's Unification Church.

"Germany is experiencing difficulties because it has achieved unification in a hurry," Gorbachev said.

"Korea should proceed with its unification projects, taking its time so that there would not be such adverse side-effects."

Earlier Sunday evening, Former President No Tae-u hosted a dinner for Gorbachev.

No and Gorbachev agreed that although they have both retired from active politics, they will work to promote friendly ties between South Korea and Russia.

Gorbachev is scheduled to attend the world peace conference until Tuesday and meet with South Korean Prime Minister Yi Hoe-chang before leaving Seoul Thursday.

Working-Level Meeting on Russian Loans Held
SK2603064294 Seoul YONILAP in English 0617 GMT
26 Mar 94

[Text] Seoul, March 26 (YONHAP)—South Korea and Russia opened a working-level meeting here Saturday [26 March] to discuss how Moscow can repay South Korean loans.

At the meeting, expected to last until Tuesday, South Korea wants to confirm that Russia will assume responsibility for repaying economic cooperation loans that Seoul extended to the former Soviet Union, according to government officials.

South Korea will also press Russia to repay arrears on the loans totaling 390 million U.S. dollars outstanding at the end of last year, the officials said.

Rough sailing is expected at the meeting, however, as Moscow is likely to request a further delay in making payments, they said.

South Korea agreed to extend 3 billion dollars in economic cooperation loans to the former Soviet Union in 1990. Of that amount, it offered 1.47 billion dollars including 470 million dollars in tied loans.

Russia paid back only 17 million dollars in cash and another 13 million dollars in aluminum ingots in 1992. Since then, Moscow has kept postponing any payment on interest or principle, the officials said.

The Russian delegation to the meeting, led by Vice External Economy Minister M.E. Fradkov, planned to confirm Russia's responsibility for the loans while asking for a grace period similar to that given by the Paris Club of creditors.

The Paris Club, comprised of 19 Western creditor nations, agreed last April to extend a grace period requiring Russia to pay back by September 1993 some 50 percent of arrears and principal of their loans outstanding at the end of 1992. Russia is to pay back the rest over five years with a two-year grace period.

The Seoul government, taking into consideration Russia's economic difficulties, is studying a plan under which Moscow could make payments in commodities and in the form of a lease on land on which South Korea is building a trade center, the officials said.

The trade center, being pushed by the Korea Foreign Trade Association, is to be built on a 2.5-hectare plot near Moscow University and Russia is asking a lease of 50 million dollars a year, they said.

Burma**Singapore's Prime Minister, Delegates Arrive***BK2803161494 Rangoon Radio Burma in Burmese
1300 GMT 28 Mar 94*

[Excerpts] A delegation led by the Singaporean prime minister, Mr. Goh Chok Tong, arrived at Yangon [Rangoon] airport by special aircraft at 1235 for an official visit to Myanmar at the invitation of Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar [Burma] and prime minister.

The delegation was welcomed at Yangon airport by Sr. Gen. Than Shwe, SLORC chairman and prime minister; General Maung Aye, SLORC member, deputy commander in chief of defense services and army commander in chief; Vice Admiral Maung Maung Khin and Lieutenant General Tin Tun, SLORC members and deputy prime ministers; Lt. Gen. Khin Nyunt, SLORC secretary-1; Lt. Gen. Tin U, SLORC secretary-2; Lt. Gen. Myo Nyunt, SLORC member, minister of religious affairs, and chairman of Yangon division law and order restoration council; Lt. Gen. Thein Win, minister of transport; Brigadier General Abel, minister of national planning and economic development; Brig. Gen. Myo Thant, minister of information; U Ohn Gyaw, minister of foreign affairs; U Nyunt Swe, deputy minister of foreign affairs; U Phone Myint, Myanmar [Burmese] ambassador to the Republic of Singapore; U Kyaw Myint, charge d'affaires of Myanmar Embassy in Singapore; Brigadier General Chin Siat Yoon, ambassador of Singapore; the dean of diplomatic corps and diplomats; and personnel from the Singapore Embassy. [passage omitted]

The Singaporean prime minister was accompanied by a 29-member delegation including Foreign Minister Professor S. Jayakumar; the trade and industry minister, Mr. Yeo Cheow Tong; and the labor minister and deputy defense minister, Dr. Lee Boon Yang. The delegation also include some 25 businessmen led by Mr. (L.L. Wu).

Singaporean Prime Minister Mr. Goh Chok Tong called on the SLORC chairman and prime minister, Sr. Gen. Than Shwe, at the Protocol Chamber at the People's Assembly compound at 1430.

Sr. Gen. Than Shwe hosted a dinner in honor of visiting Singaporean Prime Minister Goh Chok Tong and delegation at the Reception Hall at the Pyeithu Hluttaw Compound at 1900.

At the reception, Sr. Gen. Than Shwe delivered a speech and proposed a toast. He welcomed His Excellency Prime Minister Goh Chok Tong and said on this auspicious occasion the Myanmar people and the government extend cordial good wishes to the leaders and people of Singapore. He was pleased to note that your excellency has found the time to visit Myanmar in spite of having responsibilities, at home and abroad. Your excellency's

current visit to Myanmar brings many significant elements which contribute to the strengthening of the traditional friendly relations between Myanmar and Singapore. He noted foremost among the imperatives is the consolidation of economic and technological cooperation even as Myanmar's economic opportunities are at the threshold of greater future promise. He went on to describe the Government of Myanmar as most encouraged to be provided with the opportunity to share the valuable experience and expertise of Singapore in its initial stages of economic development. He said, given time and opportunity, he was convinced that both sides will arrive at a mutually beneficially stage with greater openings for wider cooperation. He noted his expressions will not be complete if he did not put on record the most constructive vision and advice of Senior Minister Lee Kuan Yew in providing an atmosphere of mutual confidence between the two countries. He said Myanmar will contribute its full share of contributions among the countries in the region leading to political stability and economic development of Southeast Asia. He then invited all those present to join him in a toast to the lasting friendship between Myanmar and Singapore; to the health and well being of the president of the Republic of Singapore, Mr. Ong Teng Cheong; to the health and well being of the prime minister, Mr. Goh Chok Tong; and to the health and well being of the distinguished guests present on the occasion. [passage omitted]

Ministries To Promote Tourism*BK2803160294 Rangoon Radio Burma in Burmese
1300 GMT 28 Mar 94*

[Text] Yeo Cheow Tong, Singapore's minister for trade and industry, and his delegation paid a courtesy call on Lieutenant General Kyaw Ba, member of the State Law and Order Restoration Council and minister of hotels and tourism, at the minister's guest room at 1630.

The Singaporean minister for trade and industry inquired about how long Myanmar [Burma] will allow the foreign investors to invest in Myanmar; the expected number of hotels to be built for tourists; the transportation situation, especially water transportation, for the development of tourism; plans to attract large number of tourists; and how large number of tourists can affect Myanmar culture and situation on the preventive measures. The Singaporean minister for trade and industry also invited the minister of hotels and tourism to visit Singapore to observe the tourism industry there so that techniques and systems in Singapore, which are suitable for Myanmar, can be adopted.

Hotel Projects Memorandums Signed*BK2903105094 Rangoon Radio Burma in Burmese
1300 GMT 28 Mar 94*

[Text] A ceremony to sign memorandums of understanding between the Directorate of Hotels and Tourism and Cock Singapore Limited for three construction projects was held at 1800 at the Strand Hotel's Mingala

Hall. The first project concerns the construction of a new 400-room international hotel on a plot of land in Yangon [Rangoon]. This land borders the People's Confectionery, Papawing and Gon movie theaters on the Sule Pagoda Road side and the People's Confectionery, bakery, and stores on the 32d Street side. A new company, Tradetex Yangon Company Limited, will be formed for this hotel. The second project concerns the construction of a new 700-room international standard hotel and office building project on the former Doby line in Kandawgyi. This project will be undertaken by the newly-formed Shangri-la Yangon Company, Limited. A memorandum of understanding was also signed between the Directorate of Hotels and Tourism and Straits Steamship Land Limited for the construction of a new Mandalay Hotel. All of the above projects will be fully financed by the Singaporean companies.

The ceremony was attended by Lieutenant General Kyaw Ba, hotels and tourism minister; Vice Admiral Than Nyunt, health minister; Lt. Gen. Thein Win, transport minister; Brigadier General Abel, national planning and economic development minister; Brigadier General Lun Maung, minister of the Prime Minister's Office; U Khin Maung Yin, construction minister; U Soe Tha, communications, post, and telegraphs minister; Cooperatives Minister U Than Aung; Deputy Ministers of Mines U Hlaing Win and U Myint Thein; Deputy Minister of Energy U Tin Tun; and the Singaporean trade and industry minister.

Hotels and Tourism Minister Lt. Gen. Kyaw Ba and Singaporean trade and industry minister delivered addresses on the occasion. U Myo Min, director general of Directorate of Hotels and Tourism; Lieutenant Colonel Soe Thein, managing director; and the chairman and the regional development director from Cock Singapore Limited then signed and exchanged the memorandums. Later, Director General U Myo Min presented permits for hotel construction for the Tradetex and Shangri-la companies. The permits were granted by the Foreign Investment Commission of the Union of Myanmar [Burma] to the Singaporean chairman, Mr. Ho Kwan Kien.

U Myo Min, director general of Directorate of Hotels and Tourism; Lt. Col. Soe Thein, managing director; and the executive director and general manager from Singapore Straits Steamship Land Limited signed and exchanged the memorandum for the construction of a new Mandalay Hotel. The ceremony ended at 1830 and was followed by a reception.

National Convention Plenary Session Continues

*BK2903093194 Rangoon Radio Burma in Burmese
0630 GMT 29 Mar 94*

[Text] The National Convention Plenary Session continued at 0900 in the Central Meeting Hall of the President's Residence compound on Ahlone Road, Yangon [Rangoon].

The plenary session was attended by Lieutenant General Myo Nyunt, chairman of the National Convention Convening Commission; Lt. Gen. Maung Thint and Brigadier General Myo Thant, vice chairmen; and commission members; U Aung Toe, chairman of the National Convention Convening Work Committee [NCCWC]; U Tha Tun, vice chairman; and work committee members; Brig. Gen. Tin Aye, chairman of the National Convention Convening Management Committee, and committee members; delegates; and local and foreign correspondents.

At the plenary session, U Kan Nyunt from the peasants delegate group acted as an acting chairman while Dr. Than Nyunt, Daw May Than Lwin, U San Tha Aung, U Mahn Ohn Maung, U Soe Maung, U Tin Maung, U Khin Maung Htoo, and U Sai Aung Htun acted as members of the Panel of Chairmen. U Khin Maung Myint, director general of the NCCWC Office and the official in charge of meetings, acted as secretary of the meeting.

First, the secretary announced the session's validity with 650 out of 694 delegates attending the meeting. According to the agenda, the delegates from the political parties delegate group read out the proposals on suggestions to prescribe fundamental principles related to the state, state structure, and head of state chapters that will be included in constitutional draft.

At the plenary session, U Kyang Ha Sheh read the proposal on suggestions by the La-hu National Development Party delegate group, while U Saw Than Aung read the proposal on suggestions by the Union Karen League delegate group. The plenary session recessed at 1100. The afternoon session of the National Convention Plenary Session is in progress at the Central Meeting Hall of the President's Residence compound on Ahlone Road, Yangon.

Brunei, Malaysia & Singapore

Malaysia

Editorial Notes Reforms at UN 'Overdue'

*BK2703125694 Kuala Lumpur NEW STRAITS TIMES
in English 25 Mar 94 p 12*

[Editorial: "Reforms at the UN Overdue"]

[Text] Only the severely myopic would contend that the United Nations, born out of the ashes of the Second World War, is serving all its 184 members effectively and satisfactorily and should therefore be left alone to conduct its business undisturbed.

There is no question that the world body is showing its age and urgent reforms have to be carried out to bring it more in tune with the current scenario and be more responsive to its members' aspirations. Indeed, it is a wonder that while nations are rising and falling, governments and societies are changing and history written and

rewritten since its founding, an organization supposed to be at the forefront of these developments has been allowed to retain and be saddled by the relics of its past.

The first anomaly which might have served its purpose in the past but which should have been discarded once it outlived its usefulness and which has been found to be inimical to the interests of the majority of its members is the Security Council and the composition of its members. It is the heart of the organisation as it has been given powers far greater than the General Assembly to which all members belong. In matters involving world peace no action can be contemplated without the agreement of the Security Council. Its members of 15 countries literally can, and in many cases, have ignored the wishes of the majority in the General Assembly.

Of the 15, five are permanent members dating back to the day of its formation and 10 are rotating members elected every two years from the rest of 179 countries. As if that is not anomalous enough the permanent members have assigned to themselves the veto power. If just any one of them, acting on sectarian and narrow national interests, choose to exercise it, it could effectively frustrate and paralyse the organisation. This has happened so often in the past that in due course it has goaded many nations to press for reforms of the world body.

For this very reason Malaysia and many other reform-minded countries have targeted the Security Council. Our permanent representative has called for the restructuring of the council to bring equitable representation and ensure fairness to all nations which in turn should forge a new consensus on power and burden-sharing. The current over-representation—seven members in the council from the Western and European group of 47 countries and the remaining eight seats from the rest of 132 countries from Asia, Africa and Latin America—is unacceptable.

While the question of the equitable representation, which will mean an increase in the membership of the Security Council is important, equally important are issues pertaining to permanent members and the veto power they wield. Are these relevant at all and should not they be done away with for good in these days of democratic rights and equality?

By right, the proposed reforms to make the United Nations more democratic should be welcomed and readily accepted by nations which have otherwise appointed themselves champions and guardians of democracy but who seem to be singing a different tune when their narrow self-interests are being questioned. Malaysia and other reformers should not be discouraged by the opposition shown by the big powers and slacken their efforts. In time, an unreasonable stand, however stubborn, against what is right and just surely will be embarrassed into acceptance.

Cambodia

Khmer Rouge Ready for Negotiated Settlement

*BK2803111594 Hong Kong AFP in English 1053 GMT
28 Mar 94*

[Text] Phnom Penh, March 28 (AFP)—The ultra-nationalist Khmer Rouge said Monday they were willing to "work for a negotiated settlement" over Cambodia's civil conflict after the fall of their capital, Pailin, to government forces last week.

"We are going work for a negotiated settlement," In Sopheap, a representative for the guerrillas in Phnom Penh told AFP.

The comments contrasted with a combative statement made earlier Monday by Khmer Rouge radio.

The Khmer Rouge representative could not confirm rumors circulating here that the guerrillas' nominal leader, Khieu Samphan, would soon be arriving in Phnom Penh.

Cambodia's co-prime minister, Hun Sen, told AFP Monday that the government "left the door open" to negotiations with the Khmer Rouge.

Cambodian Government forces launched a major offensive against Khmer Rouge-held territories earlier this month.

Further on Readiness To Negotiate

*BK2803130294 Hong Kong AFP in English 1246 GMT
28 Mar 94*

[Text] Phnom Penh, March 28 (AFP)—The ultra-nationalist Khmer Rouge said Monday it was willing to work for a negotiated settlement of Cambodia's civil conflict after the fall of its "capital," Pailin, to government forces last week.

"We are going work for a negotiated settlement," in Sopheap, a representative for the guerrillas in Phnom Penh, told AFP.

The comments contrasted with a combative statement made earlier Monday by Khmer Rouge radio.

The Khmer Rouge representative could not confirm rumors circulating here that the guerrillas' nominal leader, Khieu Samphan, would soon be arriving in Phnom Penh.

Cambodia's co-Prime Minister, Hun Sen, told AFP Monday that the government "left the door open" to negotiations with the Khmer Rouge.

Cambodian government forces launched a major offensive against Khmer Rouge-held territories early this month either to flush out the guerrillas or force them to the negotiating table.

The government, elected under UN-sponsored elections in May 1993, wants to take back full control of the country to establish stability and enhance international investment and spur the economy.

The Khmer Rouge has demanded representation in the government, but has refused to give up its weapons or cede areas under its control, which are mostly along the border with Thailand.

Cambodian King Norodom Sihanouk, who was treated for cancer in Beijing the last six months, is expected to return to Phnom Penh April 8 and hopes to restart negotiations with the Khmer Rouge, said the country's foreign minister, Prince Norodom Sirivut.

The negotiations were suspended in mid-January, but Hun Sen added, "Our position has not changed. We are keeping the door open. We are also thinking of the possibility of a meeting when the king (Sihanouk) returns."

Hun Sen said: "The Royal Cambodian Government is ready to join the discussions."

But a representative of the "hardline" anti-Khmer Rouge faction said, "I am not sure if the (Khmer Rouge) problem can be resolved."

The offensive against Pailin was decided in concert with the Sihanoukists, represented in the government by Prince Norodom Ranaridh, co-prime minister, and supporters of Hun Sen.

Hun Sen said, citing military sources, that former Khmer Rouge chieftain Pol Pot, who still controls the guerrilla movement of 8,000 soldiers despite his official retirement, was with the group's leaders in the village of Kum Reang, a few kilometers (miles) north of Pailin, during the government offensive.

"They left two days before the fall of Pailin," he said, without saying where they were headed. Pailin, the Khmer Rouge stronghold near Thailand, fell on March 19, according to the government, or March 22, witnesses at the scene said.

Khmer Rouge leaders have veiled themselves in almost total secrecy since the group's founding in the early 1960s.

About 85 Khmer Rouge soldiers were killed in the defense of Pailin, Phnom Penh said. Government losses, without official estimates, are estimated at several dozen killed or wounded.

Pailin, rich in rubies, has helped finance the rebel movement since 1989 with contracts from the Thai business community.

Khmer Rouge Attacks in Bavel District

*BK2803113594 Phnom Penh AKP in English
0955 GMT 28 Mar 94*

[Text] Phnom Penh AKP March 28—At least four people were wounded during a hit and run-attack by Khmer Rouge last week in Bavel District, Battambang Province, said provincial police source.

The source said in the afternoon of March 22, some 150 Khmer Rouges divided in three groups launched attacks against positions of government troops Division 6, the district town of Bavel, and position of government troops' Regiment 18.

The guerrillas retreated at 6 P.M. the same day leaving three killed, the source said, adding that the attacks were the fifth one since the beginning of February.

The same source said before retreating the guerrillas hit a government arms warehouse in Bavel, blowing up the stocked ammunition, and stole villagers' belonging.

Armed clashes between the government troops and the Khmer Rouge broke out the same day in Kdol Taken commune (Bavel District), and in the district of Battambang, killing eight guerrillas, the source said without elaborating the government army's casualties.

NADK Reports Defeat of 6th Division Troops

*BK2803034394 (Clandestine) Voice of the Great
National Union Front of Cambodia in Cambodian
2330 GMT 27 Mar 94*

[Text] On 22 March, the people and National Army of Democratic Kampuchea [NADK] attacked the command post of the puppets' 6th Division located at Kompong Chhnang and Bavel villages and swept the enemy troops from Bavel District seat which were a part of the two-headed government's invading forces in the Pailin area.

The people and NADK launched the attack in four prongs: the first coming from Dangkao Ta Mang to Bavel; the second from Samlor Khlanh to Bavel; the third from Ta Em to Bavel; and the fourth from Kbal Thnal to Prey Totoeng and Bavel.

After three hours of combat, we smashed and seized full control of the 6th Division's command post and Bavel District seat. We killed 22 enemy soldiers and wounded over 30 others. We destroyed a T54 tank; 85-mm, 122-mm, and 76.2-mm cannons; two 37-mm anti-aircraft guns; an 80-mm mortar; a DK-85; a 12.7-mm gun; an RPK gun; an RPD gun; and 35 military barracks. We also set ablaze three depots storing various ammunition and mines for use in the Pailin offensive. The fire burned for six hours from 0500 at dawn to 1100. We also seized four B-40's, a 12.7-mm gun, 39 AK's, three crates of AK ammunition, 60 B-40 rockets, two field radios, and a large antenna.

At the same time, we attacked the invading forces at Thmar Kol which is the supply route for serving the Pailin battlefield. The invading forces were routed and forced to flee to Battambang which was then in chaos. The puppets in Battambang were in a panic and immediately declared a dawn to dusk curfew which is still being imposed.

King Requests Release of Morning News Editor

*BK2803044294 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 28-29 Mar 94 p 1*

["Statement of His Majesty King Norodom Sihanouk on the rights and freedom of the press in Cambodia"]

[Text] Beijing, 25 March 1994.

I would like the beloved Royal Government to please immediately release from prison Mr. Nguon Non, editor of the Phnom Penh-based newspaper the Morning News, so as to restore his rights and freedom as a journalist.

If Mr. Nguon Non, editor of the Morning News, has really committed any offense such as defamation, the victims may seek justice from the court by filing a suit against Mr. Nguon Non. Nevertheless, I am absolutely opposed to any arrest or detention of journalists without trials.

I would like to stress once again that all of us, including the king, the Royal Government, the administration, the armed forces, the police, and so forth must respect 100 percent the rights and freedom of the press.

[Signed] Norodom Sihanouk.

Indonesia

Suharto Critical of Tied Aid Imposed by West

BK2903074894 Jakarta THE INDONESIA TIMES in English 22 Mar 94 p 1

[Text] President Suharto Monday criticized the West developed countries which set democracy as one of conditions to extend development cooperation with the developing countries.

"The developed countries are raising democracy issue and good government as the integral part of development process, mainly in the developing countries," Suharto said opening the leadership meeting of the Foreign Affairs Ministry here on Monday.

Suharto stressed there is no a single form of democracy which could be applied universally. "Democracy is not a static concept which is limited on the standard forms and practices although it has universal principles and aspects," Suharto said.

Suharto said that cultural values and historical experience of every nation are very variable.

If every nation is demanded to apply the basic principle of democracy by ignoring the values in inter-nations relationship, this would really deny the basic principle of democracy, Suharto said.

Suharto argued that democracy and democratisation are dynamic process which is harmony with fundamental values of every nation and it is necessary to be adjusted with the developing reality [sentence as published].

"Therefore, democratisation remains relevant with national life," Suharto said.

Suharto said that in a such dynamic world, Indonesia and other developing nations are implementing their respective national development.

"There is no a single nation that could be developed from outside," Suharto stressed.

Therefore, the president added the development of the developing nations must be based on principle of national self-reliance.

"However, we are aware that with all fund and capability deployed by the developing nations for their development, it would be difficult to achieve a success if international environment is not conducive.

Suharto believes that the advanced and developing countries need to reach a new agreement since almost all international issues are interrelated and have global impacts.

"It is time for the North and South to create a new consensus on the international development and establish democratic partnership, especially in dealing with global issues," the president stated.

Only this way all nations in the world can reorganize the international economic order to make it fairer and more reliable.

On the changing world, he said no country can isolate itself from the prevailing change.

Therefore, every nation must improve its capability of understanding the change and adjust itself to the situation, he added.

"Adjusting ourselves does not mean that we have to follow wherever the wind blows, but we have to strengthen the positive elements to boost peace and welfare, and on the other hand we have to try our best to avoid the negative elements," the president explained.

He said the world is now still far from being peaceful, safe, and prosperous despite the end of the Cold War.

Meanwhile, Minister Alatas reported that the meeting lasting until March 26 is attended by 78 ambassadors and representative heads, 20 consul generals, five consuls, an ambassador-at-large, and some senior officials of the foreign ministry.

The Foreign Ministry holds its working meeting every five years. Among those attending the opening ceremony of five meeting were Coordinating Minister for Political and Security Susilo Sudarman and former foreign minister Sunario.

Bilateral Trade Talks Held With Australians

BK2903092194 Jakarta THE INDONESIA TIMES in English 23 Mar 94 p 3

[Text] Jakarta—Indonesian and Australian trade ministers have discussed ways of improving bilateral trade and keep in equilibrium bilateral trade balance which has since 1986 posted a deficit to Indonesia.

"We have discussed ways of improving bilateral economic ties, particularly trade and investments," Australia's trade minister, Bob McMullan, told the press after a meeting with his Indonesian counterpart, S.B. Yudono, here Monday.

The two ministers also talked about matters related to the Asia-Pacific Economic Cooperation (APEC) forum.

The two-way trade between the two countries in the January-November 1993 period reached 1.96 billion U.S. dollars, up by 3.15 percent over the figure in the same period in 1992, but Indonesia sustained a deficit of 513.5 million U.S. dollars.

In 1982, Indonesia sustained a deficit of 254.9 million U.S. dollars from its trade with Australia, and the figure swelled to 666.8 million U.S. dollars a decade later.

In the meantime, Indonesia's exports registered at 158.6 million U.S. dollars in 1982 rose to 746.125 million U.S. dollars a decade later.

On the occasion, the Australian trade minister invited Indonesian businessmen to invest in Australia and pledged that Australian entrepreneurs will do likewise in Indonesia.

In an effort to boost trade relations, Indonesia has offered 40 percent tariff binding for 8,877 post headings consisting of 7,536 post headings for industrial products and 1,341 post headings for agricultural products.

Indonesia has also asked that 505 post headings are excepted from the tariff binding on the grounds of security, general exception, or being still needed for national economic development.

The products whose exception has been requested comprise inter alia iron and steel products and motorized vehicles and their components.

Regarding rice, Indonesia is willing to give market access to 70,000 tons of rice annually, a quantity equal to 50 percent of import average in 1986-88.

Indonesia has also offered market access to trade in services involving five sectors—tourism, sea transportation, finance, industry/construction, and telecommunications.

The two sides have also agreed to set up working groups on trade, industry, investment, agriculture, and food to improve bilateral economic ties.

Government Supports East ASEAN Growth Area

BK2903051194 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 29 Mar 94

[Text] The Indonesian Government supports the East ASEAN Growth Area because its development coincides with Indonesia's asecond long-term development master plan which seeks to spur the development of eastern Indonesia. Kosim Gandataruna, fourth assistant to the coordinating minister for industry and trade, expressed the Indonesian Government's policy when he opened the fourth meeting of the East ASEAN Business Meeting Organizing Committee in Ujungpandang yesterday. The two-day meeting attended by 190 businessmen from the Philippines, Malaysia, Brunei, and Indonesia is in preparation for an East ASEAN business meeting in Davao City, the Philippines, by the end of May. Philippine chief delegate Vicente Paterno said South Sulawesi Province occupies a strategic position in cooperation among the four countries in the East ASEAN region.

Envoy Calls Timorese Visit 'Blow' to Fretilin

BK2903053794 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 29 Mar 94

[Text] The visit by Portuguese citizens of East Timorese origin to their native land is a blow to Ramos Horta, leader of Fretilin [Revolutionary Front for an Independent East Timor], a terrorist group in East Timor. Ramos Horta, who is living abroad, has been trying to tarnish Indonesia's image through various ways in the world community. Nugroho Wisnumurti, Indonesian permanent representative to the United Nations, told reporters in Dili that Ramos Horta, who is opposed to the integration of East Timor into Indonesia, should reckon with the visit by the Portuguese citizens of East Timorese origin to Dili, which is a step forward toward an Indonesian-Portuguese reconciliation. According to Ambassador Nugroho Wisnumurti, the international community has adopted a very different view on East Timor since talks between the Indonesian and Portuguese foreign ministers on 17 September 1993 and the informal London talks sometime ago. The visit of Ambassador Nugroho Wisnumurti who was accompanied by Indonesian Ambassador to Australia Sabam Siagian was, among other things, intended to provide input to trilateral talks involving the Indonesian and Portuguese foreign ministers and the United Nations to be held on 6 May.

Laos**DPRK Information Delegation Arrives for Visit**

*BK2803115594 Vientiane KPL in English 0916 GMT
28 Mar 94*

[Text] Vientiane, March 28 (KPL)—A delegation of the National Information Committee of the Democratic People's Republic of Korea headed by its vice president [name indistinct] (?on March) 26 arrived here on an official visit to Laos at the invitation of the Lao information and culture minister.

During (?the visit), the delegation will meet with several senior officials of Laos, including a meeting with the information and culture minister to discuss the development of the immediate and long-term relations and cooperation between the information authorities of the two countries.

The Korean delegation was welcomed at the Wattai Airport by Deputy Information and Culture Minister Bouasi Chaleunsouk. Ambassador of the DPRK to Laos Chang Yong-chun was also present at the welcoming ceremony.

Meets With Lao Counterpart

*BK2903112794 Vientiane KPL in English 0934 GMT
29 Mar 94*

[Text] Vientiane, March 29 (KPL)—The delegations of the Lao Information and Culture Ministry and of the National Information Committee of the Democratic People's Republic of Korea held talks here yesterday to discuss the mass media role in information.

Deputy Information and Culture Minister Bouasi Chaleunsouk, the head of the Lao side at the talks, told the Korean side about the role of the Lao mass media in the task of further building and developing the people's democratic regime as well as in the renovation task in Laos. He thanked the party, government and people of DPRK for their assistance to Laos in the past and at present.

On his part, Mr. Ri Bong Hi, vice president of the National Information Committee, the head of the Korean delegation, told the Lao side about the role of the mass media in the national defense and development in his country. He confirmed that the party, government and people of DPRK would continue supporting Laos including Laos' information sector.

Speaker of Malaysian House, Delegation Arrive

*BK2803075794 Vientiane Vitthayou Hengsat Radio
Network in Lao 0000 GMT 28 Mar 94*

[Text] At noon yesterday, His Excellency Datuk Mohamed Zahir Ismail, speaker of the Malaysian House of Representatives, and a high-level delegation arrived in Vientiane for an official friendship visit to Laos. The visit, scheduled for four days from 27 to 30 March, is in

response to an invitation from Saman Vignaket, chairman of the National Assembly.

Prime Minister Receives Speaker

*BK2903102694 Vientiane Vitthayou Hengsat Radio
Network in Lao 0000 GMT 29 Mar 94*

[Text] His Excellency [H.E.] Khamtai Siphandon, prime minister of the Lao People's Democratic Republic [LPDR], received a courtesy call from H. E. Tan Sri Dato Mahamed Zahirbin Haji Ismail, speaker of the Malaysian House of Representatives, yesterday at the Prime Minister's Office. The Malaysian house speaker is on an official friendship visit to the LPDR.

The conversation between the guest and host proceeded in an intimate and friendly atmosphere. H.E. Khamtai Siphandon extended warm congratulations on the visit to Laos by the high-level delegation of the Malaysian House of Representatives. The visit is made at a time when the atmosphere of relations between the two countries, Laos and Malaysia, is being improved to a new quality. This was a result of the talks between the high-level government delegations of the two countries in 1992.

H. E. Prime Minister Khamtai Siphandon assured that the visit to Laos by the high-level delegation of the Malaysian House of Representatives will actively contribute to the enhancement of good relations of friendship and cooperation, which has existed since ancient times between the two states and peoples, and especially between the legislative institutions of the two countries.

H. E. Prime Minister Khamtai Siphandon took this opportunity to wish the H. E. the Malaysian house speaker and his delegation success in their visit to Laos. Through his excellency, the Lao prime minister also extended his regards to the Malaysian prime minister, Dr. Mahathir Mohamed.

H.E. Tan Sri Dato Mohamed Zahirbin Haji Ismail expressed his satisfaction with and thanks to H.E. Khamtai Siphandon, the Lao Government, the National Assembly, and the multiethnic Lao people, for according him and his delegation a warm and honorable welcome during their visit to the LPDR.

H. E. the Malaysian house speaker highly valued this visit to Laos saying it is sign of friendly relations. The visit also significantly contributes to further promoting and strengthening the existing fine traditional relations of friendship between the two countries as well as the two legislative institutions of Malaysia and Laos.

H.E. Abdul Wahab Harun, ambassador extraordinary and plenipotentiary of Malaysia to Laos, accompanied the Malaysian delegation during the courtesy call on H.E. Prime Minister Khamtai Siphandon.

Investment Cooperation Pact Signed With PRC

BK2803004094 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 27 Mar 94

[Text] On the evening of 25 March at Lan Xang Hotel in Vientiane, Chanpheng Sihaphom, vice chairman of the Lao National Council of Trade and Industries, and Hu Ping-sui, chairman of the Kunming Chamber of Commerce of the PRC's Yunnan Province, signed a memorandum on the establishment of friendship relations between the two organizations. The memorandum signing took place in the presence of Thongvang Phantatsavong, deputy minister of trade, and high-ranking authorities of the two sides.

The memorandum pointed out that the two trade chambers would provide conveniences to businessmen from both sides to exchange information and data on trade transactions. They would also give advice to businessmen on the technical and financial aspects of investment, the management of transport and warehouses businesses, and the displays of goods on the basis of mutual benefit.

Party Central Committee Plenary Session Closed

BK2903112994 Vientiane KPL in English 0909 GMT 29 Mar 94

[Text] Vientiane, Mar 24 (KPL)—The 8th Plenary Meeting of the Lao People's Revolutionary Party Central Committee opened on March 15-26 has ended with a press release.

The release indicates that the meeting reviewed the implementation of the resolution of the fifth party congress as well as the resolutions of the party Central Committee in the past one year, and passed a plan of action for 1994 designed to boost the comprehensive renovation task.

Achievements, experiences, emerging factors, outstanding issues and shortcomings through the process of implementing the party-state policy were raised at the meeting. Emphasis was put on some activities concerning the party and cadres, the integrated rural development issue, and the improvement in the activity of building the party and cadres at the new stage.

This meeting stressed on the important role of secretaries and members of the party committees, the modification of the work style, the individual responsibilities, the education and training of cadres, the administration of cadres and the revolutionary morality of cadres, party members.

A resolution concerning rural development was endorsed with detailed objectives and measures to ensure that the activity be carried out more effectively.

Government Decree on Land Ownership by Aliens

BK2603132194 Vientiane PASASON in Lao 16 Mar 94 p 2

[“Article 4 of Prime Minister Decree No. 99 on Land Ownership”—PASASON headline]

[Text] Aliens residing and earning their living in the Lao People's Democratic Republic [LPDR] and foreign organizations and foreign investors carrying out legitimate activities in this country have the right to occupy and use land in the form of a lease and concession granted by the state in accordance with state regulations. As for the embassies and international organizations that want to lease new land, the period of land lease must be agreed upon by the LPDR Government and the governments of the said embassies and international organizations concerned.

As for the land which has been occupied and used by the foreign embassies and international organizations under the lease or purchase contracts signed with the old regime, the said contracts on that land must receive recognition from the LPDR Government first to remain valid.

Philippines

U.S. MFN Threat Against China Said ‘Unwise’

BK2903044794 Manila BUSINESS WORLD in English 24 Mar 94 p 12

[Text] In the midst of a threat from the United States to withdraw most favored nation (MFN) status from China, Foreign Affairs Secretary Roberto Romulo yesterday said it would be unwise for Washington to use its MFN tool on Beijing now that the nuclear threat in the Korean peninsula continues to be alarming. Mr. Romulo pointed out that North Korea's relations with Beijing as its last remaining ally should be viewed with serious concern by the United States because “Beijing is a key player in maintaining equilibrium in this region.” “We hope Washington would soon come to an understanding of what their position is vis-a-vis China,” Mr. Romulo said, referring to the disconcerting dispute on Washington's move of linking the granting of MFN status to Beijing over alleged human rights abuses. “I understand and sympathize with their concerns on human rights abuses but I do not believe that they should use MFN as the big stick. In this particular instance, unless and until the United States comes to a resolution of what their policy is, I think the big stick approach is inappropriate because it might generate a certain level of instability in this otherwise unstable region. [sentence as published] And the only people who will suffer in this are people like us who are in this region. That's why we are asking the United States to look at their policy and come up with a responsible approach so that it does not generate disequilibrium in this part of the world,” he said.

Korean Arms Buildup by U.S. Criticized*BK2903072894 Manila PHILIPPINE DAILY INQUIRER in English 25 Mar 94 pp 1, 10*

[By Cynthia D. Balana and Lynda T. Jumilla]

[Text] Foreign Secretary Roberto Romulo yesterday described as "inappropriate" and "unproductive" the United States decision to send 160 Patriot air defense missiles to South Korea, saying the arms buildup against communist North Korea could lead to "miscalculation" and war.

Sharing Romulo's apprehensions, Sen. Blas F. Ople warned the Philippines may again be drawn into a full-scale conflict in the peninsula as in the 1950-53 Korean War.

Sen. Rodolfo Biazon, however, called on the Philippines and other members of the Association of Southeast Asian Nations to avoid knee-jerk reactions and "carefully measure their responses to developments in the Korean peninsula."

Tensions on the peninsula are high over North Korea's suspected nuclear weapons program. Nearly 2 million troops on both Koreas have been placed on a heightened alert.

The situation sharply deteriorated last weekend after Pyongyang barred UN experts from inspecting sites where North Korea is believed to be developing nuclear weapons.

While seeking UN sanctions against Pyongyang, the United States decided to ship Patriot missiles, more troops and additional arms to South Korea. Washington also planned to revive "Team Spirit" military exercises with Seoul.

North Korea has declared these U.S. measures, if pushed ahead, would be taken as a declaration of war.

"I continue to be worried about the Korean situation," Romulo told a press briefing. "All parties must be deliberate in action and not consider the international isolation of the Democratic People's Republic of Korea."

He said the United States approach was "inappropriate, unproductive and may even cause disequilibrium in the Asia-Pacific region."

Romulo's statements represented a rare instance when Manila openly refused to toe the U.S. line.

He said Washington seemed "unmindful" of the repercussions of its action on ASEAN members, including the Philippines, should the heightened tension on the Korean peninsula lead to war.

Like Washington, Manila only has diplomatic relations with Seoul but not with Pyongyang, an isolated, Stalinist state.

Still, Romulo said, it would be more productive if North Korea were encouraged to join the international community of nations.

Romulo said he has ordered Philippine Ambassador to South Korea Francisco Benedicto to draw up a contingency plan for some 20,000 Filipino workers there should war break out.

At the Senate, Ople said he expects the Philippines to be "under pressure" to support any UN-led military action against Pyongyang.

During the outbreak of the Korean War in 1950, Manila sided with Seoul and sent the Philippine Expeditionary Force to Korea upon the "request" of the U.S.-dominated United Nations. President Ramos, then a lieutenant, was part of the Philippine military contingent.

"If there's going to be war between the United Nations and North Korea, I would expect the Philippines to be put under pressure to send troops," said Ople, chair of the Senate Foreign Relations Committee.

He said the imposition of UN economic sanctions would force Pyongyang to resort to war.

Ople called on Manila to lead the ASEAN in an "intensified peace diplomacy" to defuse the tension in the Korean peninsula.

But Biazon said the Philippines may not necessarily be compelled to send a military contingent should a Korean war erupt anew.

"Not one nation can be compelled to do so because sending troops is a function also of its capability to bankroll, equip, and staff such a force," he said.

Biazon called on Pacific rim nations, particularly ASEAN members, to "carefully measure their responses to the developments in the Korean peninsula."

"This is just the classic military situation of buildup on the frontlines and there may not be cause for alarm at the moment," he said.

Biazon said that conditions are no longer the same as in the 1950s because the Cold War is over and countries in the region are more concerned about economic progress.

But should tensions degenerate into a military confrontation, "then let it be confined to the peninsula," he said.

Government Lifts Trade Restriction With SRV*BK2903094694 Manila THE MANILA CHRONICLE in English 25 Mar 94 pp 1, 2*

[Text] The Philippines yesterday lifted a key restriction to trade with Vietnam, ahead of President Ramos' official visit to Hanoi next week, the Department of Trade and Industry (DTI) said.

"In response to Vietnam's shift towards a market economy," Hanoi was being delisted from the list of socialist and other centrally planned economy countries in which bilateral trade is regulated by the official Philippine International Trading Corp. (PITC), DTI Secretary Rizalino Navarro said.

Mr. Ramos, along with a small official party of government officials and a group of businessmen, are scheduled to visit Hanoi and Ho Chi Minh City on 28 to 30 March in an attempt to develop and expand bilateral economic ties.

Total two-way trade was \$17.4 million in the first half of 1993 with the Philippines enjoying an \$11.93 million surplus.

The delisting and the planned presidential visit came after the United States lifted an economic embargo against Vietnam.

Philippine traders must still secure approval from the PITC before they can export to, or import from, Albania, Angola, Burma, China, Ethiopia, Laos, Libya, Mongolia, Mozambique, Nicaragua, and North Korea.

Manila has already identified science research and environmental protection as two possible areas in which the Philippines and Vietnam could work out a cooperative deal.

The two countries will implement a bilateral agreement on these areas only after consulting all the other countries with claims to the disputed island chain in the South China Sea.

Briefing reporters on the president's visit, acting Foreign Secretary Rodolfo Severino said the cooperative arrangements being explored by Manila with Hanoi is part of confidence-building measures to prevent armed conflict in the disputed territories.

Severino said the visit is also part of efforts of the Association of Southeast Asian Nations to speed up the integration of Vietnam into the ASEAN community.

In Palawan, Mr. Ramos said his trip to Vietnam would be the first step in reaching a common position in jointly exploring and exploiting untapped mineral, oil, and other resources in the South China Sea. Hanoi had entered into a similar cooperative agreement with Kuala Lumpur. But the agreements cannot be implemented without approval from other claimant countries.

Apart from Vietnam, Malaysia, and the Philippines, other countries claiming about a hundred islands atolls and reefs in the South China Sea very near Palawan are China, Taiwan, and Brunei.

Local Law Precedes Uruguay Round Provision

BK2903055794 Manila MANILA BULLETIN in English 24 Mar 94 p B-1

[By Vicente B. Foz]

[Text] The provision of the Uruguay Round to which the Philippines committed, to convert quantitative restrictions on agricultural products into tariffs does not amend Republic Act No. 7606, known as the Magna Carta of Small Farmers.

This was the ruling made by Justice Secretary Franklin M. Drilon in reply to a query of Trade and Industry Secretary Rizalino S. Navarro. Drilon said "the Magna Carta provisions cannot be amended by the Final Act of the Uruguay Round."

While the Philippines adopts the generally accepted principles of international law as part of the law of the land in consonance with the Constitution, Drilon said, it has been said that a municipal law which is in conflict with a rule of international law will often be given effect in municipal courts since the latter are organs of municipal law and are bound by it.

Citing the Salonga-Yap book on Public International Law, Drilon said, the fact that international law has been made part of the law of the land does not by any means imply the primacy of international law over national or municipal law in the municipal sphere.

As retired Supreme Court Justice Edgardo J. Paras said in his work "International Law," in case of conflict between international law and the municipal law of the tribunal deciding the case, the municipal law shall prevail.

However, Drilon said, if the Final Act of the Uruguay Round is subjected to the Senate ratification pursuant to the Constitution, "our reply to this particular query might be different if we are to consider and apply the American jurisprudential rule that a treaty may supersede a prior act of Congress in the same manner that an act of Congress may supersede a prior treaty."

Navarro also asked whether "non-implementation by the president or the secretary of agriculture of the trade provision of the Magna Carta hold them liable for action by interest groups."

Company Assembles Armored Vehicle at Subic

BK2903093594 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 29 Mar 94

[Text] The British-designed Simba armored vehicle will be assembled at the Subic Bay Free Port. This was contained in the contract signed between the Subic Bay Metropolitan Authority [SBMA] and the Asian Armor Vehicle Technologies Corporation. President Ramos attended the signing ceremony.

According to SBMA Chairman Richard Gordon, 150 units of Simba armored vehicles will be assembled initially at the free port. These will be allocated for modernizing the Philippine Army. Gordon added that the company will invest \$72 million in Subic.

Newly Formed Communist Bloc Issues Manifesto
BK2903091594 Manila THE MANILA CHRONICLE
in English 24 Mar 94 pp 1, 6

[Text] A newly formed bloc of the Communist Party of the Philippines (CPP) yesterday unveiled a program that rejects the leading role of communists in the insurgent war against the government, the CHRONICLE has learned.

The group, which broke from the Maoist-oriented CPP, has been holding a series of preparatory meetings for the formal launching of "Siglaya [Siglo ng Paglaya—Century of Independence]" in the middle of May, according to a leader of the group who spoke to the CHRONICLE.

As agreed upon by the preparatory committee, the group shall be an "open and legal organization."

The committee for the founding congress in May includes civic leaders Liddy Nacpil-Alejandro, Ben Moraleda, Etta Rosales, Noel Medina, peasant leader Jaime Tadeo, labor leader Robert Galvez who represents the Ilaw at Buklod ng Manggagawa [Ilaw—expansion unknown; and Workers Union], and scholar Joel Rocamora.

Ricardo Reyes, whom the military has identified as the former secretary general of the CPP, is one of the leaders group principally assigned to draft the program.

The Siglaya leader also said a top-ranking Catholic religious leader has joined them but he requested the CHRONICLE not to publish his name.

In a 15-page manifesto, the group lined up a 10-point program that one of its leaders said sets it apart from the mainstream CPP and a breakaway group of some Metro Manila-based cadres and members.

Among its goals are:

- Aspire for national independence from imperialist control and uphold the sovereign control over the country's national life, politics, and culture.
- Work to end the political control of "imperialists and big landlords and bureaucrat capitalists."
- Establish a people's democratic state, uphold democratic rights, civil liberties, human rights and other social rights like the right to strike. It shall uphold the rights of the minorities.
- Work to make capital for agriculture available to peasants, push for rural cooperatives, work to modernize agriculture, and to ensure food security.

—Work for a comprehensive and progressive policy for social welfare.

—Uphold a culture that stresses patriotism, national unity, scientific and critical attitude, democratic ethics; respect for the gender, religion and beliefs, race and color, and other free thinking; a patriotic, scientific, critical, and liberating education for the Filipino youth.

—Uphold the rights of the Bangsa Moro people, people of Cordillera at the national minorities for self-determination.

—Oppose the destruction of the environment, defense of the source of life, democratization in the exploitation of natural resources.

—Work for the equality of the sexes and the freedom of women from a patriarchal system.

—Adopt an independent foreign policy. Establish diplomatic relations with all countries regardless of ideology and social system.

Rejecting the vanguard role of the CPP in the insurgency, Siglaya said it shall uphold empowerment in its political work.

Empowerment, Siglaya said, "is not only an aspiration as a platform for change. According to the group, this principle will start today, in spirit, in our ethics, in every process and conduct, in the whole political and organization life of the newly born movement."

According to the Siglaya leader, the new movement will rely on several organizations for its mass base and shall not dictate upon these organizations.

He said the new movement shall not take a confrontational attitude towards the party led by Jose Ma. Sison. "Instead, we shall let the masses decide which is the more viable political program," the leader said.

Asked about the group of Metro Manila-based communists who broke from Sison, the Siglaya leader said the Metro group led by one Carlos Forte has yet to come up with a program.

"We hope the group finishes its draft so that the people can decide on what program is the best," he said. Although Forte's group has openly criticized Sison, it has yet to come up with its program.

Asked to elaborate on its differences with the Sison group, the Siglaya leader said he could identify at least three areas where the new group differs with Sison.

One of these, he said, was on the ideological framework. He said that while Sison has adopted the Maoist framework, the new group draws its inspiration from the writings on early Marx.

He explained that the early Marx was a humane Marx who stressed the need to uphold the rights and prerogatives of the individual.

On the other hand, he said, the Program of the People's Democratic Revolution adopted by Sison's CPP puts premium on the rights of the state and the party over the individual.

On the method of grabbing power, the new group will utilize all forms of struggle including elections, lobbying, and mass mobilizations. "We are also open to armed struggle, but it shall be on a case-to-case basis," said the Siglaya leader.

Sison's group, on the other hand, has a very clear stand on the seizure of state power, and that is to destroy by armed means the machinery of the state and installing a national democratic state.

The Siglaya leader, however, said the new movement agrees with Sison on the need to install a "national democratic state" as a transition to a socialist goal.

President Orders Officials To Cut Amnesty Process

BK2903092994 Quezon City Radio Filipinas in English 0230 GMT 29 Mar 94

[Text] Following his decision to grant amnesty to all rebels and insurgents, President Ramos has ordered government bureaucrats to cut red tape to move the peace process faster. Marie Ruiz with the details:

[Begin Ruiz recording] President Ramos ordered government bureaucrats to cut red tape to move the peace process faster, following his decision to grant amnesty to all rebels and insurgents. The president said that administrative problems such as delayed release of funds and tedious paper work should not be allowed to slow down the peace process and other vital work of the government. The president directed Executive Secretary Teofisto Guingona to make every bureaucrat move faster. He also directed Guingona and Budget Secretary Salvador Enriquez to solve the problem immediately. The president was peeved by a complaint by former Ambassador Manuel Yan, presidential adviser on the peace process, that although the budget has been appropriated, there has been smothering in the release of the funds. [end recording]

Thailand

U.S. Textile Proposal Said To Violate GATT

BK2903044394 Bangkok BANGKOK POST in English 29 Mar 94 p 17

[Text] WASHINGTON'S proposal to open bids for its textile quotas may be blocked by the regulations of the Multi-Fibre Arrangement (MFA), a global textile-trade agreement. Currently the quotas imposed under the MFA are managed by exporting countries so that any

financial gains—what economists call "quota rent"—are retained in the exporting countries.

In Thailand, the Commerce Ministry is responsible for allocating textile export quotas, and some of these are traded among Thai exporters. According to experts who have examined the US proposal to open bids for allocating textile quotas to importers, only exporting countries are eligible to sell quota rights. That would violate both MFA and GATT rules.

Washington announced the bidding in order to compensate for the US\$13.9 billion loss of revenue expected in the next five years resulting from tariff cuts under the Uruguay Round of the General Agreement on Tariffs and Trade.

US Trade Representative Mickey Kantor said the cuts would benefit Americans since they would reduce prices. The government's income would rise \$3 for each dollar lost from tariff cuts.

In another development, the Thai Commercial Counsellor in Washington said that the US Senate had enacted the Fair Trade in Financial Services bill, which will increase US leaders' authority in trade negotiations on financial market access for commercial banks, insurance firms and other financial institutions.

The act allows the US Treasury to list countries that refuse to open financial markets to American companies.

Prime Minister on U.S. 'Charge' on Prostitution

BK2503125694 Bangkok Radio Thailand Network in Thai 0530 GMT 25 Mar 94

[Text] Asked about the U.S. charge that Thailand has not made any serious efforts to solve the problem of prostitution, Prime Minister Chuan Likphai said that he had read the report on this matter from the Foreign Ministry. In fact, he noted, the United States has not made any criticism of Thailand. The government has established clear guidelines to solve this problem. He said:

[Begin Chuan recording] As a matter of fact, the United States has not criticized Thailand. The report disseminated by the news agency was inaccurate. I read the report early this morning. The government has established clear guidelines to deal with this problem, including the presence of foreign prostitutes in Thailand. Last week, the authorities reportedly arrested British prostitutes here. We do not want prostitutes from Burma or any neighboring countries coming to earn their living in Thailand. We are monitoring the problem closely. I forwarded this matter to the Interior Ministry, because whenever they bring this issue up they always charge that our police are profiting from the business. I am asking our police authorities to do something, because the problem really tarnishes our country's image. I believe that some policemen, not all of them, are

corrupt. The allegations of prostitution in Ranong Province and that of hill tribes girls being lured into prostitution are partly true. After all, the report is about the human rights issue which happens to cite the problem of prostitution, not criticism of Thailand. I reaffirm that it is the policy of this government to make serious efforts to solve the prostitution problem. Give us some time. [end recording]

U.S. Urged To Delink Trade From Other Issues

*BK2803021894 Bangkok BANGKOK POST in English
28 Mar 94 p 22*

[Excerpt] THE United States should separate trade matters from issues of human rights, labour rights and the environment, according to Deputy Prime Minister Suphachai Panitchaphak. These issues should be left to the international organisations that are already dealing with them, Mr Suphachai said.

Dr Suphachai was speaking at the 21st meeting of the US Information Service's annual economic seminar entitled "Regionalisation of Thai-US Economic Relations".

He told BUSINESS POST that it is possible to look at trade issues on their own merits by decoupling them from side issues.

"Trade should be treated on its own merits, linked with real macroeconomic issues, and side issues that are now coupled with trade such as human rights, workers' rights and the environment should be left to international organisations that are already dealing with them," he said.

He said a country that is trying to achieve greater economic development will try its best to improve standards of human rights and labour relations.

"Through trade development expansion we can facilitate the process of paying adequate attention to human rights development," he said.

If some of the major side issues are put in the forefront, such as the US linking of the Generalized System of Preferences with labour rights, it may not bring results in the end, he said. The GSP was conceived to help developing countries' exports by granting concession terms, and is not supposed to be linked with anything, he said. He said he understood the good intentions of the US administration which has a sense of humanity and is justifiably concerned with rights. But he questioned whether its policy is the most effective way of conditioning the whole world to move in that direction.

Dr Suphachai said the more we want to promote trade and economic relations throughout the world the more we must work toward depoliticising trade issues. This will benefit not only the private sector but also the newly emerging countries, as at least world economic growth will be more predictable than in the past, he said. [passage omitted]

Cambodian Foreign Minister Continues Visit

Meets Prime Minister Chuan

*BK2803143494 Bangkok Thai Color Television
Channel 9 in Thai 1200 GMT 28 Mar 94*

[Text] Prince Kromkhun Norodom Sirivut, Cambodian deputy prime minister and foreign minister, was accompanied by Foreign Minister Squadron Leader Prasong Sunsiri and paid a courtesy call on Prime Minister Chuan Likphai at Government House. During the meeting, the Cambodian foreign minister thanked Thailand for assisting Cambodia. He also believed that the Thai Government will certainly not support the Khmer Rouge. He also invited the prime minister to pay another visit to Cambodia.

The Thai foreign minister said that the Cambodian refugee problem was not raised during the meeting. The Foreign Ministry plans to explain the issue by inviting interested persons to visit the Thai-Cambodian border.

Agreement on Joint Development

*BK2903050194 Bangkok BANGKOK POST in English
29 Mar 94 p 2*

[Text] Thailand and Cambodia yesterday agreed in principle to jointly develop areas which might be found by a joint committee to overlap, said Foreign Minister Prasong Sunsiri yesterday.

The committee will come under the framework of the Thai-Cambodian Joint Committee and will begin work at the same time as the demarcation work said a senior official.

Sqn Ldr Prasong said after an hour-long meeting with his Cambodian counterpart, Prince Norodom Sirivut, that several committees would be set up to cooperate on such things as fisheries, investment, trade, and the exchange of technical personnel and senior officials.

"We're now ready to sit down and create a legal framework. We don't know the procedure but we'd like to solve problems in a peaceful way through joint development cooperation, not to use confrontation," said Prince Sirivut.

He said problems, including the Koh Kong incident and the refugee problem, between the two countries would be solved at a state-to-state level through the committees which would be established as soon as possible.

"We don't think the Koh Kong incident is a real-estate affair. We don't want local authorities to jeopardise our good relations."

Prince Sirivut said there was a lot of contradictory information and it was not appropriate to comment on this until both sides had held a common investigation.

"Situations can change. I hope his excellency (Prasong) will meet me again. We'll wait for the result."

The Thai government yesterday handed over 35 pieces of equipment used in vocation training involving machinery, electrical goods, electronics and steel-linkage, worth a combined 627,060 baht. Both foreign ministers witnessed the initial endorsement of a cooperation agreement between their Boards of Investment [BoI].

The agreement was signed by BoI Secretary-General Sathaphon Kawitanon and Vichit It.

The agreement, to take effect in two years, will stress training activities, the exchange of information and investment promotion which will lead to more serious deals between the two countries, according to a BoI press statement. The initial agreement will be proposed for further approval by the two governments, it said.

Sirivut Cited on Refugee Issue

*BK2803140694 Hong Kong AFP in English 1329 GMT
28 Mar 94*

[By Michele Cooper]

[Text] BANGKOK, March 28 (AFP)—Cambodian Foreign Minister Prince Norodom Sirivut backed away from confrontation here Monday after accusing Thailand a day earlier of "forced repatriation" of 25,000 Cambodian refugees.

Prince Sirivut's stance surprised observers, who had expected him to follow up on his strong words in Phnom Penh Sunday, when he said the repatriation "is a human rights abuse from some people or Thai authorities."

While Prince Sirivut was holding a one-hour meeting with his Thai counterpart, Prasong Sunsiri, in Geneva the United Nations High Commissioner for Refugees, Sadako Ogata, condemned the repatriations. Some 25,000 Cambodians poured across the border at Ban Phakkat a week ago to escape fighting over the former Khmer Rouge stronghold of Pailin, which the Cambodian Government said it seized March 19.

Thailand started a three-day operation to repatriate the refugees last Friday, transporting them north to Sap Tali, from where they could cross into what the Thais said was a safe zone in Cambodia. The Thais refused access to independent observers, however, sparking criticism of its handling of the matter.

On Monday, Thailand's National Security Council [NSC] said the refugees who fled fighting a week earlier in northwest Cambodia had themselves chosen repatriation to a Khmer Rouge-controlled zone.

NSC Deputy Secretary Khachatphai Burutphat told reporters that all 25,000 had moved to a safe zone inside Cambodia opposite the Thai town of Sap Tali.

In Geneva, Ogata voiced "deep concern" at the move, saying she feared the refugees, mostly women and children, "could be exposed to the fighting and their lives

might be at risk." But Thai Government Spokesman Aphisit Wetchachiwa dismissed her concern, telling AFP there was "no question of the Thai Government sending them to areas where their lives could be threatened."

Speaking to reporters after meeting Prasong, Prince Sirivut said bilateral committees would be set up to handle a whole range of issues, including refugees. Asked repeatedly about the border situation, Prince Sirivut said several times that the committees, to be set up "as soon as possible," would deal with all matters.

Thai Foreign Ministry spokesman Suwit Simasakun said the two ministers had not even touched on the specific issue of the 25,000 refugees.

Government Spokesman Aphisit said the refugee problem had also not been raised when Prince Sirivut met Prime Minister Chuan Likhai. The two sides dealt with framework issues for future relations, he said.

In Phnom Penh Sunday, Prince Sirivut has said: "It is not normal that the Thai authorities take this decision to send 25,000 people without security, with nothing we can check."

A decidedly upbeat Prince Sirivut said Monday he was pleased the two sides had "resolved a lot of problems today."

Cambodia and Thailand "are ready to sit down and to create a legal framework to resolve problems state-to-state. We decided to solve problems in a peaceful way," he said, adding: "We don't want any local people to jeopardize our good relations."

In Geneva, Ogata commented that she was "particularly saddened that contrary to early information, (the Thai) government has not allowed these to stay in Thailand until such time as a return in safety and dignity could be worked out by all concerned."

Aphisit said Thailand had been forced to act because "we were finding it difficult to provide the necessary assistance keeping them where they were."

'Difficulties' in Refugee Repatriation

*BK2703123094 Bangkok SIAM POST in Thai
27 Mar 94 p 11*

[Text] A report from correspondents about the repatriation of Cambodian refugees who fled the fighting in Cambodia into Thailand's village of Ban Phakkat in Khlong Yai, Pong Nam Ron District, Chanthaburi Province, says that the Chanthaburi-Trat border task force completed the repatriation at about 1800 on 26 March. The mission was fraught with difficulties due to lack of familiarity with the roads and terrain.

The repatriation of over 20,000 Cambodians who ran away from the fighting between the Cambodian Government and Khmer Rouge forces for control of Pailin in Battambang Province was made via Sap Tali town in Soi Dao District, Chanthaburi Province, about 40 km north

of Ban Phakkat. The people were sent back in a convoy of military GMC trucks and 10-wheel trucks provided by Thai mine operators. Some traveled by their own motorcycles. The mission was reportedly carried out with difficulty due to the long journey and winding roads. Many vehicles overturned or had accidents. Some lost their way and missed the border crossing point.

Speaking through interpreters, some Cambodians said they had to leave behind at Ban Phakkat some bulky belongings, such as power generators, television sets, video players, as well as motorcycles which had no gasoline. The people said they were returning with small valuables like jewelry and cash. Several pregnant women gave birth during the trip. Asked about food, the Cambodian people said they had no problem with a food supply because of the ample ration provided by Cambodian group leaders.

Correspondents said the 563d Company of Thai Marine Rangers was responsible for moving the Cambodians from Ban Sap Tali to an area about 1 km inside the Cambodian border. The refugees would then cross the canal and be met by Khmer Rouge rear guards, who will check the refugees and take a head count.

Regarding the evacuation of Pailin, there was a report that all civilian Cambodians had left Pailin. This included relatives of the Khmer Rouge leaders who had earlier left Pailin by cars and trucks. Those remaining in Pailin now are combatants who stand ready to resist the offensive by Cambodian Government troops.

Army Rejects Press Reports on KR, Refugees

BK2903143294 Bangkok Radio Thailand Network in Thai 1200 GMT 29 Mar 94

[Text] Army Spokesman Colonel Phalangkun Klahan said that some newspapers had presented reports accusing the Army of supporting the Khmer Rouge [KR], banning reporters and diplomats from visiting the border, and forcing the repatriation of Cambodian refugees. They also publicized photos showing relations between Thai and Khmer Rouge soldiers. The spokesman said the reports were untrue and were causing damage to the Armed Forces. He said that the Armed Forces upheld humanitarian principles and UN policy in assisting the refugees. It is the duty of the Cambodian Government to look after the refugees since they are Cambodians. He reaffirmed that the Armed Forces did not support the Khmer Rouge.

Cambodia To Honor Thai Trade Contracts With KR

BK2903051394 Bangkok BANGKOK POST in English 29 Mar 94 p 29

[Text] The Cambodian Government has assured Thai businessmen that trade agreements they made with the

Khmer Rouge [KR] will be honoured, except in cases where some minor details may be changed in accordance with government policy.

Suwit Wangli, the chairman of the Thai Chamber of Commerce, said after discussions with Cambodian Economic and Finance Minister Sam Rangsri the Cambodian Government had confirmed the agreements would be honoured. But there may be some alterations to bring them in line with the Government's policies, he said.

Thai businessmen have invested heavily in logging and gemstone mining along the Thai-Cambodian border, much of which is under Khmer Rouge control. Such trade has caused chronic problems involving allegedly excessive profits and has been attacked by foreign newspapers over the years, said Mr Suwit.

"Thai investment in the central region of Cambodia does not generate similar problems and the ruling Government agrees to support those investors. At present, several drafts, including civil and criminal laws, investment laws and mortgaging and pledging laws are being globalised," said Mr Suwit.

"Besides, Thai investors have been requested to invest in labour-intensive industries, such as textiles and precious stones, to help relieve unemployment in Cambodia. The regulations and legislation ruling financial institutions under the central bank are also being strengthened," he said.

"Each day, at least two foreign institutions apply to open in Cambodia but the Government has not approved any since last year. It has decided to do so once the country's central bank is stabilised and well-monitored."

Prida Tiasuwan, the deputy chairman of the Jewelry and Ornament Association of Thailand, said the Cambodian Government charged only 1 percent and 20 percent for sales tax and corporate income tax respectively, while Thai law required sales (value added) tax of 7 percent and corporate income tax of 30 percent. As a result, more and more Thai investors were attracted to Cambodia. But some obstacles are yet to be overcome for smooth mutual trade in the future.

Gemstone mining along the Thai-Cambodian border has not been legalised. Any trader can mine and take out stones at will as there is no legislation preventing them doing so which caused several problems in the mining areas.

Mr Rangsri agreed to take this matter into consideration.

Italian Aircraft Firm Rejects Barter Trade Offer

BK2703110494 Bangkok THE SUNDAY POST in English 27 Mar 94 p 4

[Excerpt] Italian aircraft maker Alinair has written to the Commerce Ministry to say that it cannot accept goods in return for six G222 medium transport planes, a source in the ministry said. Alinair said that though it is not able to

take Thai agricultural products in lieu of payment this time because the contract has already been entered into it might be able to do so in the next arms purchase. [passage omitted]

Official Views Internal Security Situation

BK2903075394 Bangkok MATICHON in Thai
28 Mar 94 p 3

[Interview with Khachatphai Burutphat, deputy secretary general of the National Security Council, by unidentified correspondent; place and date not given]

[Text] [Correspondent] Does the recent spate of bombings indicate the country is having a security problem?

[Khachatphai] There is no question that everyone wants the country to enjoy peace and progress and people to enjoy decent livelihood. The bombings, bomb threats, and creating of rumors have misled people into feeling that security is lacking. I wish to give the assurance that the country enjoys complete security. All the officials concerned have worked together closely to find the culprits and gather information to prevent the future occurrence of these problems. Security at various installations has been strengthened to prevent acts of terrorism. Everyone can be confident in the government mechanism dealing with this matter and in the officials concerned.

In any event, to better tackle the matter, people must cooperate by acting as informants. This will lead to the arrest of the culprits. This is one way of helping prevent untoward incidents.

[Correspondent] Does this mean that the performance of the officials concerned has not been effective?

[Khachatphai] One must realize that there are people who look for opportunities to create trouble. They will carry out their work whenever an opportunity arises. Therefore, it is difficult to absolutely prevent every problem. Intelligence operations and security vigilance have been responsible for preventing many incidents. These types of operations, however, cannot be publicized. So, people do not know about the performance of such operations. Therefore, it is unfair to say that officials have been ineffective.

[Correspondent] What are the causes of the bombings perpetrated by local or foreign elements?

[Khachatphai] There are many causes for the bomb attacks carried out by Thais. Among them are personal conflicts and deliberate attempts to create a situation. The officials concerned are investigating the causes.

Operations by foreigners concern acts of international terrorism. They carry out their operations in Thailand to achieve their objectives. The country's public safety is affected regardless of which group carries out its operation as innocent people suffer. Everyone should condemn such an evil operation.

[Correspondent] Do international terrorist groups pick Thailand for their operations because they find it easy?

[Khachatphai] Thai society, like in other liberal countries, is open. Tourists can travel where they please. Several million foreign tourists visit every year, in addition to more than 100,000 illegal arrivals. This is a weak point, but it does not mean that international terrorists pick Thailand because it is so easy to stage an incident.

[Correspondent] Compared with Singapore and Malaysia whose societies are also open, why do terrorists pick on Thailand to carry out their sabotage activities?

[Khachatphai] There are several factors international terrorists consider in choosing a country for their sabotage. One factor is their intended target. It is probably not true that security in those two countries is so good that it is impossible to carry out terrorist activities. The elaborate counterterrorist measures in the United States and the UK have not been able to completely prevent terrorist activities there.

[Correspondent] In addition to foreign terrorist groups, are there local groups which complicate the sabotage picture?

[Khachatphai] Possibly both. That is, there could be foreign terrorist groups which have targets in Thailand. Meanwhile, there are some local groups which aim to create public disorder. So, incidents affecting national peace and order could be created by any of these elements. Therefore, officials concerned must not relax and must be ready to prevent an incident and timely solve it if it happens.

[Correspondent] What about groups which seek to topple the current government?

[Khachatphai] The results of initial investigations have not linked groups seeking a political change to the disturbances. Normal incidents of disturbance are probably linked to personal disputes or to intimidation with some purpose in mind. Officials concerned are trying to verify the causes.

[Correspondent] Is the intelligence work sufficient to cope with the current situation?

[Khachatphai] To date, I have found through working with military and civilian intelligence officials that they have worked hard. Several pieces of intelligence have been exploited to timely solve the situation. However, current and future problems are diversified and complicated and, therefore, intelligence efficiency should be further developed to timely cope with the situation and keep up with the game.

[Correspondent] Do the currently numerous protests affect national security?

[Khachatphai] The administration system in Thailand is democratic and the government comes from the election. Therefore, if a group of people feels that it is not given

fair treatment it has a right to express its views and inform the government so that the unfairness can be remedied. If a protest arise from the people's genuine hardship then it is not difficult to solve. But if there are instigators in the background it is more difficult. Therefore, I ask that people cooperate with the officials and act as their eyes and ears. The mass media has a role as well to help create a peaceful atmosphere by constructive reporting and avoiding emphasizing things that will excessively worry the public.

Although there are issues which affect peace and order, overall national security is good. Please have confidence in the state mechanism to protect and maintain national security.

Anonymous Army Columnist Says Coups Possible

*BK2903053994 Bangkok THE NATION in English
29 Mar 94 p A7*

[Text] An article in an army newsletter, purportedly published to allay fears of a military coup, extols the virtues of coup-makers and suggests that the overthrow of a civilian government is still possible.

Meanwhile, Permanent Secretary for Defence Suwit Chantharapradit yesterday emphatically ruled out the likelihood of another coup, which he described as an idea "as extinct as dinosaurs". The article, entitled "Fear No Coup" and written under the pseudonym "Lt Col Tattiam Yiamnakhon", argues that contrary to popular belief, the armed forces' hunger for power is not the main cause of most government takeovers.

"The notion that coups were caused by over-ambitious soldiers is an unscientific explanation because military officers never covet the power to rule. All of them only want to defend the country against outside threat," the anonymous writer claims. "Rather the main cause of most coups were shortcomings on the part of the country's democratic system," he says.

The writer says military men never initiated a coup but were asked by the government's opponents and disempowered groups, and members of the public.

"Other warning signs were harsh criticism by the mass media and a show of frustration by academics," he says.

Vietnam

Philippines President Arrives on Visit 28 Mar

Welcomed by Le Duc Anh

*BK2803151294 Hanoi VNA in English 1431 GMT
28 Mar 94*

[Text] Hanoi VNA March 28—Philippine President Fidel V. Ramos arrived here this morning, beginning an official friendship visit to Vietnam as guest of President Le Duc Anh.

He was accompanied by many other Philippines' Government officials and businessmen.

State ceremony to welcome the Philippine guests was held at the Presidential Palace which were attended by President Le Duc Anh, Prime Minister Vo Van Kiet, Foreign Minister Nguyen Manh Cam and other Vietnamese high-ranking officials. Representatives of the diplomatic corps and international organizations were also on hand. Speaking at the reception after the ceremony, President Le Duc Anh said he and Prime Minister Vo Van Kiet expressed their pleasure to welcome Philippine President Ramos and his entourage to Vietnam and hoped this visit would mark a new development in the relations between the two countries.

President Le Duc Anh said that the Philippines and Vietnam are neighbouring countries which have many things to share, therefore the two countries should exchange views on important issues of common concern aimed at promoting the multi-faceted ties for the interest of each country.

For his part, Philippine President Ramos expressed his sincere thanks to President Le Duc Anh, Prime Minister Vo Van Kiet and other Vietnamese officials for their warm welcome. He also expressed his wish that his country and Vietnam should build friendly and cooperative relation with other Southeast Asian countries, thus making active contributions to peace, stability, development and prosperity in the region.

Later in the day a banquet was held by President Le Duc Anh in honour of the Philippine guests.

Do Muoi Receives Ramos

*BK2803152494 Hanoi VNA in English 1453 GMT
28 Mar 94*

[Text] Hanoi VNA March 28—General Secretary Do Muoi of the Communist Party of Vietnam Central Committee received here this afternoon Philippine President Fidel Ramos.

The Vietnamese leader hailed President Ramos' visit as an important event in the friendly and cooperative links between the two countries.

For his part, President Ramos expressed his thanks to General Secretary Do Muoi, other senior officials and the Vietnamese people for their warm welcome and hospitality.

The two leaders informed each other of the situation in their respective countries and compared notes on issues of common concern.

President Ramos said his government is willing to help Vietnam in personnel training and share experience with Vietnam in fields Vietnam is interested. Philippine businessmen are encouraged to invest in Vietnam.

President Ramos invited General Secretary Do Muoi to visit the Philippines at a convenient time and Mr Do Muoi accepted the invitation with pleasure.

Meets With Le Duc Anh

*BK2803154494 Hanoi VNA in English 1521 GMT
28 Mar 94*

[Text] Hanoi VNA March 28—Vietnamese President Le Duc Anh held talks here this afternoon with his Philippine counterpart Fidel V. Ramos, now on an official friendship visit to Vietnam.

At the talks, President Le Duc Anh hailed the (?first) visit to Vietnam by President Ramos and his party as an event of significant importance which he said ushered in a new page in the friendship and multi-faceted cooperation between the two countries, contributing to the trend of peace, stability and cooperation in the region.

President Le Duc Anh informed President Ramos of the achievements recorded by the Vietnamese people in their renovation process. He affirmed Vietnam's continued efforts in pursuing its foreign policies of independence, self-determination, openness, diversification and multilateralization of which special attention is paid to the enhancement of relations with countries in the region.

President Fidel Ramos stressed that since the establishment of diplomatic ties in 1976, the friendly, multi-faceted cooperative relations between the two countries have seen fine development, now have more opportunities for their strengthening in line with the interest and wish of each country, for peace, stability, friendship, cooperation and development in the region of Southeast Asia. The two sides held that their potentials were great, and discussed concrete measures to strengthen ties in the fields of economy, trade, culture, tourism, scientific technology, training and education.

The two sides exchanged views on international and regional issues of common concern. The Philippine side hailed and expressed their support for Vietnam's participation in Asia. The Vietnamese side highly appreciated that goodwill of the Philippines, and affirmed that Vietnam was carrying out multi-faceted cooperation between Vietnam and ASEAN through the latter's specific projects.

Cooperation Agreements Signed

*BK2803153194 Hanoi VNA in English 1512 GMT
28 Mar 94*

[Text] Hanoi VNA March 28—Vietnamese Foreign Minister Nguyen Manh Cam and Philippine Foreign Minister Roberto R. Romulo, signed here this afternoon an agreement on the establishment of a Vietnam-Philippines Intergovernmental Commission on Bilateral Cooperation.

On the same day an agreement on tourist cooperation was also signed here by Philippine Foreign Minister Romulo and head of the Vietnam General Department of Tourism, Do Quang Trung.

Vietnamese Trade Minister Le Van Triet and Philippine Minister of Trade and Industry M. Rizalino Navarro signed a protocol on the export and import of goods and services between the two countries.

The signing ceremonies were witnessed by Vietnamese President Le Duc Anh and Philippine President Fidel Ramos.

29 Mar Activities Reported

*BK2903101594 Hanoi Voice of Vietnam Network in
Vietnamese 0500 GMT 29 Mar 94*

[Text] A Vietnam Radio correspondent reports that Philippine President Fidel Ramos and his entourage laid a wreath and visited the Ho Chi Minh Mausoleum this morning. The president and distinguished guests also visited Uncle Ho's living quarters and looked at President Ho Chi Minh's personal effects.

President Fidel Ramos then visited Hoa Binh Vehicle Manufacturer, a joint venture between Vietnam with the Columbia Enterprise of the Philippines and Michimen of Japan. The joint venture assembles cars and light trucks with parts imported from the Philippines, Japan, the ROK, and so forth. After two years of construction and production, from simple assembly to a more complicated assembly, Hoa Binh Vehicle Manufacturer has produced 1,000 cars of different types. It also has started to export its products.

President Fidel Ramos expressed his joy at the successful operation of the joint venture. He stated that this proved the potential to further broaden economic cooperation between the Philippines and Vietnam. Presidential Office Director Nguyen Viet Dung escorted the visiting president during these activities.

President Fidel Ramos held a news conference this morning to announce the results of his official friendship visit to Vietnam.

Further on Party Secretary's Visit to Malaysia

25 Mar Activities Reported

*BK2603164294 Hanoi VNA in English 1317 GMT
26 Mar 94*

[Text] Hanoi VNA March 26—In the current official visit to Malaysia, party General Secretary Do Muoi on March 25 called on the leadership of the United Malays National Organization (UMNO) and the Barisan National (National Front) of Malaysia.

He was welcomed by Secretary General of the UMNO Mohamed Rahmat, the minister of information and representatives of the UMNO Supreme Council.

On behalf of Prime Minister Mahathir Mohamed, who is also president of the UMNO, Secretary General Mohamed Rahmat wished the Communist Party and the people of Vietnam new achievements in their national construction. He also wished for the further consolidation and development of the friendship and cooperation between the two parties and countries in the interests of the two peoples and for peace, stability, cooperation and development in the region and the world as a whole.

For his part, General Secretary Do Muoi said he was glad to visit Malaysia, and learn the UMNO's precious experience in maintaining national solidarity, defending national unity and independence, and building a prosperous country.

He also expressed his wish that the two parties would enhance their relationship exchange experiences, thus fostering the durable friendship and effective multifaceted cooperation between Vietnam and Malaysia.

The same day, General Secretary Do Muoi and his entourage met with leading officials of the Economic Planning Union (EPU). Host and guest exchanged views on making plan for economic development and effective measures to alleviate poverty, and improve the people's life.

General Secretary Do Muoi also visited Petroleum National Berhad (Petronas) and the auto manufacturing factory (Proton), where he toured some workshops and compared notes on possibilities of cooperation between two countries in this field.

Do Muoi Interviewed on Results

BK2903131494 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 28 Mar 94

[Report by station Correspondent Dao Nguyen: "The Door to Cooperation Between Vietnam and Malaysia Is Wide Open"]

[Summary] Malaysia is considered to be one of the economic dragons in Asia. To this end, Malaysia has exerted efforts to make its presence felt. The principle of opening one's door to the outside world without losing one's own traits is strictly applied to everyday activities in Malaysia. The country consists of people of different races with Malaysians accounting for 53 percent of the population and Chinese, Indians, and other foreign nationals representing the rest of the population. Although Malaysians belong to different religions, they all get along very well.

Malaysians regard Vietnam as a true friend. Therefore, on the very first day of their visit, General Secretary Do Muoi and other Vietnamese guests were invited to attend the 10th General Meeting of the Pacific Economic Cooperation Council.

Reporting on this event, major newspapers in Malaysia carried headlines saying that this was a unique dialogue. At that meeting, General Secretary Do Muoi answered

many questions raised by the delegates. In response to a question posed by a famous British film producer as to whether Vietnam, while implementing its open-door policy, is worried about the influence of foreign cultures on its national traits, General Secretary Do Muoi emphatically said: We welcome mankind's cultural quintessence and cultural activities that help promote friendship, enrich the sense of aesthetics, and perfect the good personality of the Vietnamese people.

Before leaving Malaysia, General Secretary Do Muoi granted an interview to correspondents of the Voice of Vietnam and the Vietnam Television Network on the results of his visit to Malaysia. He said:

[Begin Do Muoi recording] It can be said that my visit has yielded very encouraging results. Our Malaysian friends have accorded the Vietnamese delegation a very warm welcome. We witnessed many building projects everywhere we went. I am convinced that by the year 2020, Malaysia will achieve its economic objectives of turning itself into a developed industrialized country. Our Malaysian friends highly value the renovation process in Vietnam and hope that our country will reach a relatively quick growth rate within a short period of time. His Excellency Prime Minister Mahathir Mohamed and I are pleased to note that so far, the friendship and cooperation between the two countries have developed very well. Both of us hope that together with the recent visits by Vietnamese Prime Minister Vo Van Kiet and Malaysian Prime Minister Mahathir Mohamed, my current visit will contribute to consolidating and strengthening bilateral cooperative ties a step further. His Excellency Prime Minister Mahathir Mohamed said: It is necessary for Vietnam to move forward, effect changes for the better, and enrich itself, thereby helping create conditions for Malaysia and other neighboring countries to score better development results. [end recording]

NHAN DAN Publishes Editorial

BK2803085694 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 27 Mar 94

[NHAN DAN 28 March editorial: "For Prosperity in Vietnam, Malaysia, and the Region"]

[Text] The first official visit to Malaysia by Comrade General Secretary Do Muoi has concluded successfully. This important event in SRV-Malaysia neighborly ties attracted good attention in the region and the world.

This successful visit not only further strengthens SRV-Malaysia friendship and cooperation but will also contribute to futhering the aspirations of the people of Southeast Asia for peace, stability, development, and prosperity. During his stay in Malaysia, our general secretary was solemnly and warmly received by the highest government leaders, the ruling National Front, the United Malays National Organization, and the Malaysian people.

Talks between General Secretary Do Muoi with Prime Minister Mahathir Mohamed on ties and issues of mutual concern were held in an atmosphere of sincerity and friendship. Comrade General Secretary Do Muoi highly evaluated Malaysia's great national development achievements, which have been rapid and stable, and its increasing world reputation. He thanked the Malaysian Government for its sincerity in sharing its precious experience in national development and management. He also welcomed Malaysia efforts in strengthening and expediting relations with Vietnam. Prime Minister Mahathir Mohamed expressed his admiration at Vietnam's economic development and belief that Vietnam will develop and prosper like other nations in Southeast Asia.

General Secretary Do Muoi's visit has enhanced the mutual understanding and trust between the leaders and peoples of the two countries. Vietnam's important achievements in the renovation and its open-door foreign policy to diversify and multiply party and state ties, together with the Malaysian Government's policy of improving relations with Vietnam are very important elements for both countries in developing their potential and accelerating friendship and cooperation for their peoples.

Among new developments in Southeast Asia and in the Asia Pacific, Comrade General Secretary Do Muoi's visit is a new and vivid manifestation of Vietnam's policy of wanting to befriend all nations to strive for peace, independence, and development. Vietnam has joined the Bali Agreement, become an ASEAN observer, and participated in some ASEAN activities in preparation of its joining ASEAN at an appropriate time.

Persisting on the four-point policy announced by General Secretary Do Muoi in Bangkok in his October 1993 Thailand visit, Vietnam supports initiatives for increased cooperation. This includes Prime Minister Mahathir Mohamed's initiative on the East-Asia Economic Caucus. Vietnam is also ready for joint cooperative institutions in the Asia Pacific such as the Pacific Economic Cooperation Council [PECC], the Pacific Basin Economic Council, and so forth.

At the 10th PECC General Meeting in Kuala Lumpur on 25 March, our general secretary emphasized Vietnam's consistent policy in maintaining good ties with nations in the Pacific. Vietnam places on priority the duty of broadening cooperation with nations in the Pacific and the development of ties with all nations in the world for the acceleration of better and broader friendship and cooperation with neighboring countries in Southeast Asia. At the same, it advocates negotiations to settle all things left over by history or newly arising problems. We ensure that all nations in the Asia Pacific will find in Vietnam a positive counterpart and a reliable customer.

Our open-door foreign policy, independence, and sovereignty has been welcomed by friends. Malaysia highly evaluates the positive developments in bilateral ties. The

SRV-ASEAN ties has opened many potential areas for long-term cooperation. It also emphasizes the need for a common voice on issues of mutual concern.

Our people welcomes the success of General Secretary Do Muoi's visit to Malaysia. We are happy at the new developments in SRV-Malaysian friendship and cooperation, which meet the aspiration and benefit of the peoples both countries for peace, cooperation, development, and prosperity in the entire region.

Vo Van Kiet Meets Mitsubishi Group President

*BK2803152694 Hanoi VNA in English 1453 GMT
28 Mar 94*

[Text] Hanoi VNA March 28—Mr. Minoru Makihara, president of the Mitsubishi Group of Japan, who is now attending the Williamsburg Conference in Vietnam, today paid a courtesy visit to Prime Minister Vo Van Kiet.

Prime Minister Vo Van Kiet welcomed Mitsubishi Group in particular, and many other Japanese economic groups in general, who have been and are interested in promoting cooperation with Vietnam, and held that his Vietnam visit was a fine manifestation of this goodwill. He also said that Vietnam needed capital and experience in management, which were considered strong points of Japan as well as other countries in the region. This is the premise for broadening cooperation in other fields for mutual benefit. The prime minister wished Mitsubishi Group great success in implementing cooperative investment projects in Vietnam.

Mr. Minoru Makihara said to Mr. Kiet that his group's concern to Vietnam is shifting from its former cooperation in trading to investment cooperation in the fields of oil exploration and exploiting, cement production, and constructing power stations. He affirmed that Mitsubishi Group would promote cooperation with Vietnam in its experienced fields, and assist Vietnam in personnel training for prosperity of each country.

Radio Denounces Exiled Monk in Australia, Part 2

*BK2503153394 Hanoi Voice of Vietnam in English
1000 GMT 25 Mar 94*

[From the "Talk of the Week" feature]

[Text] Dear listeners: In our program Talk of the Week last Friday, we told you about the character of Nguyen Xuan Chu, who is now in the Van Hanh Monastery in Australia. This time we would like to talk about his sabotage activities while he was in Vietnam as well as what he is doing now in a foreign country, and the real objectives of these activities.

When he was in Vietnam, Nguyen Xuan Chu told the police of the former southern province of Nghia Binh during an interrogation: I was born and grew up under the U.S. puppet regime, the political system full of dark [word indistinct]. As a result, I was influenced by the

U.S. puppet's [word indistinct] allegations against the revolution. After the liberation of southern Vietnam in 1975, a number of people in the name of the leaders of the United Vietnam Buddhist Church; the An Quang faction; and a number of bad friends, including Huyen Quang in the Dharma Institute, who had hostile ideas and activities against the revolution, directly incited and guided me to act against the state and people. Huyen Quang, at his own free will, made use of his position at the time of the liberation, to initiate a policy with political undertones, not corresponding to the nature of a traditional appeal [words indistinct]. He compiled a document entitled: **BUDDHISM IN THE NEW SITUATION**, in which he advocated non-cooperation with the revolutionary administration. Huyen Quang made use of his prestige to cheat people and abuse the trust and enthusiasm of Buddhist followers as well as the obedience of the local Buddhist churches and followers to stir up hostile activities, pushing them onto a sinful road against the administration. I am one of these victims.

However, since he arrived in Australia, particularly over the last few years, Nguyen Xuan Chu has acted against the Vietnamese people's revolutionary cause and the national renovation process. He has incited some MPs to use their influence on their government as well as on the governments of other countries to maintain the embargo against Vietnam and restrict their cooperative relations with Vietnam.

He collected signatures of Vietnamese Buddhist followers and residents of Australia for a letter sent to the Australian Parliament, supporting hostile and opposition activities. He has coordinated with Vo Dai Ton, and reactionary groups in carrying out sabotage activities against Vietnam. Together with the group of Vo Van Ai, and Thich (Vien) Ly, he organized meetings, demonstrations, and hunger strikes and made use of the mass media to slander Buddhist affairs.

It was reported by many people in Australia that Nguyen Xuan Chu is specializing in trading goods and furniture for Buddhist monks, nuns, and followers. He has been made bankrupt, and there are possibilities that his property will be confiscated by the Australian Court. Therefore, Nguyen Xuan Chu is trying to smear and slander the situation of Buddhism in Vietnam to raise funds among Vietnamese residents abroad, including reactionary organizations in exile, for the so called support for the struggle of Buddhists at home.

But in fact he has put all the money in his own pocket. These activities of Nguyen Xuan Chu have been protested against by Buddhists in Australia, and exposed by the press there. However, the matter remains unknown to many Buddhists in Vietnam and many Vietnamese residents in France, Canada, and the United States. Nguyen Xuan Chu is one of those people who, for their own interests, are ready to carry out any activities, including those against their own nation, people, and friends.

Catholic Paper Interviews Prime Minister

BK2703074394 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 27 Feb 94 p 7

[Text] The paper **CONG GIAO VA DAN TOC** (CATHOLICISM AND NATION) publishes in issue No. 947 an interview with Prime Minister Vo Van Kiet by its editor in chief, Catholic priest Truong Ba Can, on a number of issues related to the Roman Catholic Church in Vietnam.

SAIGON GIAI PHONG has the honor of presenting this interview to our readers.

[Truong Ba Can] Dear Prime Minister, does the religious issue ever pose any concern to you at all?

[Vo Van Kiet] As far as religion is concerned, the recent incidents in Hue and Ho Chi Minh City have caused me great concern.

I would like to point out here that our country was dominated and suffered from the consequences of war for quite a long time. Since regaining national independence and unification, we have set a clear direction for advancement and scored initial achievements in the renovation process. Although there are more issues to be discussed and developed, we must strive to maintain stability in our country, especially the politico-social stability so as to develop our economy more rapidly. This is a very important experience we have had in the past period.

[Truong Ba Can] What is your assessment of the Ho Chi Minh City Catholic community's role in maintaining stability?

[Vo Van Kiet] I have always highly appraised the patriotic spirit of Vietnamese Catholics in Ho Chi Minh City. I still remember, during the most difficult period when fighting erupted at the southwestern border and the city experienced food shortages, that the people had to eat sorghum and sweet potato. Yet, Vietnamese Catholics and people in the city, together with Catholic priests, participated in building water conservation projects and setting up defense lines. Even Archbishop Nguyen Van Binh went to the Thai My state farm to take the lead in building water conservation projects, and to Hoc Mon District to attend a ceremony launching construction of a border defense line. Both the archbishop and I had very small roles in this work, but the presence of the archbishop greatly encouraged Vietnamese Catholics there to work selflessly to overcome the difficulties and stabilize their daily lives, thereby sharing the hardships with the other people in the city. Perhaps it is for this reason that despite the confusion in the Vatican's recent unilateral appointment of an apostolic administrator [giam quan toongr toaf] in Ho Chi Minh City, Vietnamese Catholics have firmly maintained their daily lives, carried out their normal activities, and participated actively in various socioeconomic development programs while organizing a solemn, beautiful, and orderly Christmas celebration.

I should say that Vietnamese Catholics in the city realized quickly that the Ho Chi Minh City administration's reaction to this case was aimed at protecting national sovereignty, abiding by the state law, and maintaining stability for the daily lives of the people. Thanks to this awareness, the city's Committee for Solidarity among Vietnamese Catholics successfully organized its third congress recently with the participation of all Catholic priests and adherents as in the past.

[Truong Ba Can] Dear Prime Minister, the appointments of bishops and apostolic administrators are normally discussed with and jointly approved by the Vatican and the State of Vietnam. What is your opinion on the recent Vatican appointment?

[Vo Van Kiet] According to international practice, many countries contend that the appointment of bishops should be done in consultation with and with the approval of the governments of the nations concerned. In the latest agreement between the Vatican and Poland, this point was stipulated. Vietnam has no such agreement with the Vatican because we have no official diplomatic relations with the Holy See. We have, however, reached consensus with the Vatican that the appointments of cardinals, bishops, and apostolic administrators should be discussed with and approved by our government in advance. There were, however, abnormal cases, such as a number of bishops who have been approved jointly by the government and the Vatican, but official appointments from the Holy See have not been made. It is regrettable that the Vatican recently appointed an apostolic administrator for the Ho Chi Minh City diocese without consultation with the Vietnamese Government. I think that the Vatican should consider this issue carefully.

[Truong Ba Can] But Catholic bishops are dutybound to take orders from the Vatican.

[Vo Van Kiet] I understand this point. We must not forget, however, that these bishops are also Vietnamese citizens, and as such they must abide by the state law as do other Vietnamese citizens. Moreover, I think that, in some cases, the Vatican has not firmly grasped the actual situation in Vietnam.

If provided with adequate and accurate information, the Vatican would have arrived at the appropriate decisions. It is firmly believed that Vatican does not want to create tension and drive the local Catholic Church onto an unlawful path. We are aware that since the Vietnamese Government's refusal to accept the appointment of the apostolic administrator of Ho Chi Minh City Diocese, the Vatican has not made its official attitude known, pending arrival of its delegation in Vietnam.

[Truong Ba Can] As far as we know, the appointment of bishops is totally under Vatican jurisdiction. Prior to an appointment, however, according to normal diplomatic practice, the Vatican must consult with the government of the relevant country over this. For its part, the relevant government may or may not accept this

appointment, depending on its political considerations. You are therefore kindly requested to speak of the conditions and standards for acceptance.

[Vo Van Kiet] As for the issue of appointing bishops in Vietnam, I would like to clarify the following points:

1. At present, certain dioceses still have some bishopric slots left unfilled. I would like to point out here that this has nothing to do with the Vietnamese Government. This is because the Vietnamese Government has, only in certain cases, refused to accept such appointments, leaving the Vatican with many options.

2. As for Ho Chi Minh City, over the past 18 years, thanks to the presence of Elder Archbishop Nguyen Van Binh as the head of the church, the Catholic compatriots have been experiencing positive change and growth. Therefore, when the issue of a successor to Archbishop Nguyen Van Binh was raised, the Vietnamese Government made it clear that the new archbishop must be the one who will carry on along those beautiful lines.

I believe that every government must have measures to protect its national sovereignty and maintain public order and security in order to guarantee a peaceful and happy life for its people. If the Vatican respects Vietnamese sovereignty and is interested in bringing about a stable life for its faithful, it would not be difficult for it to reach a consensus with our government.

I have the feeling that the Vatican has, in certain cases, not been well-informed of the situation in Vietnam.

[Truong Ba Can] Could you, the prime minister, cite some specific cases?

[Vo Van Kiet] The issue of Catholic fathers and clergymen participating in people's elected organs or in Vietnam Catholics Unity [VCU] committees was a case in point.

In 1982, there was a circular from Rome advising Catholic fathers and clergymen not to stand for National Assembly or people's council elections. It also prohibited them from setting up or participating in any associations, as this may cause division in the church. Elder Archbishop Nguyen Van Binh and some other bishops convinced the Vatican that in Vietnam joining the National Assembly or people's councils is just for the purpose of performing one own's duty as a citizen and not for engaging in a power struggle as in other countries. VCU committees are only popular political organizations designed to promote patriotism among Catholic compatriots. The Vatican seems to have been aware of this fact and most of the Vietnamese bishops have let their subordinate Catholic priests and other clergymen join Fatherland Front committees, elected organs, and VCU committees. Nevertheless, I was advised in 1992 that due to unknown reasons, the Vatican issued another circular, urging Vietnamese bishops to prohibit their priests and other clergymen from joining elected organs or VCU committees.

It took 10 years, from 1982-92, for Catholic bishops, fathers, and clergymen and all other Catholic compatriots in Vietnam to have become clearly aware that far from doing any harm to Catholicism, those Catholic clergymen serving elected organs or VCU committees have done good services to the region and the country. Fully aware of this fact, why is it that certain bishops have continued to cite the Vatican order as an excuse to prohibit their subordinate clergy from joining elected organs or VCU committees?

I think that by taking part in national construction activities, Catholic compatriots are exercising their rights and duties as citizens.

[Truong Ba Can] This issue has been raised partly because the religious policy has failed to appease people's worries about various issues such as the seminarian issue, the operations and education of various religious orders, the repair and construction of churches, and so forth.

[Vo Van Kiet] The reason why our government continues to remain strict in certain areas is that we want to ensure stability for social and religious activities. If everyone is aware of this, the resolution of various matters would become easier. Therefore, we must give specific consideration to each particular issue. We must listen to public opinion and join hands in resolving it. All for common stability.

[Truong Ba Can] You, the prime minister, just stated that the lines to be followed are the ones advocated and practiced by Archbishop Nguyen Van Binh in Ho Chi Minh City over the past 18 years. What did you have in your mind when saying so?

[Vo Van Kiet] I was thinking of those lines brought up by various bishops in a joint letter dated 1 May 1980 which advocates "leading a Gospel-directed life in the bounds of the nation in order to serve the happiness of the compatriots." This means that while caring about the religion, one must also concern oneself with secular affairs. More precisely, religion is designed to care for the people. Leading a Gospel-directed life means serving the happiness of compatriots in general, not just Catholic compatriots. This also involves the attitude to be adopted in everyday life. We must support our nation, respect our national interests, national sovereignty and state law, understand difficulties facing it, and put ourselves in the same difficult situation of the country whenever we discuss national issues, including those related to church and state.

It is regrettable that all Vietnamese bishops have only deployed and applied these lines within their own dioceses.

On the contrary, in Ho Chi Minh City, Elder Archbishop Nguyen Van Binh has constantly adhered to these lines since the liberation of the south. As a high-ranking clergyman, he has been caring and working for his religion and has, at the same time, never allowed himself

to forget his duty toward the nation, as he has always cared for the national interest.

I have the feeling that the Catholic Church has yet to fully appreciate the meritorious deeds of Elder Archbishop Nguyen Van Binh or treat him fairly. As a man who has dedicated his whole life to a cause, he has only one desire, that is to see what he has done continue to be carried out. All of us must show responsibility in this matter.

[Truong Ba Can] In 1994, the Ho Chi Minh City Catholic Diocese will celebrate its 150th anniversary. This is an opportunity for us to review our past in preparation for the future.

[Vo Van Kiet] Yes, history has left us a very damaging legacy, namely the prejudices between Catholics and non-Catholics and between Catholicism and communism.

Today, this situation has changed greatly, though not completely. If there are any points in the relationship that we do not correctly understand, we must continue to resolve them. The reason why there have been changes for the better in Ho Chi Minh City is that we have practiced the policy on religious freedom and satisfactorily achieved the goal of ensuring the benefits of both the region and the people. It must be admitted that the contributions made by Elder Archbishop Nguyen Van Binh, the Catholics Motivation Committee, the Catholic Unity Committee, and the journal CONG GIAO VA DAN TAN [CATHOLICS AND THE NATION] are very important. Therefore, we must try to ensure that the heir to the archbishopric of Ho Chi Minh City will not follow a policy which runs counters to that of Elder Archbishop Nguyen Van Binh and that the Catholic Unity Committee and the journal CONG GIAO VA DAN TOC can play bigger roles in helping the Catholic community achieve progress together with the rest of the nation.

Some people often complain about having difficulty seeking permission to build churches. But everywhere I went, I saw many newly built churches, including many large ones whose construction cost billions of dong. Our Catholic compatriots, of course, need comfortable and fine-looking places to meet and worship. But in some localities, there have been expensive churches built in the middle of slum areas. This must be reviewed, taking into account the need to increasingly improve the material and cultural life of the working Catholic people.

Although I still have many things to talk about, please allow me to stop here. Through the journal CONG GIAO VA DAN TOC, I wish the readership and the city's Catholic compatriots good health and happiness. As Vietnamese, irrespective of one is Catholic or not, we share the same motherland. Formerly, people thought of setting out in search of a new life in one area or another. But now it has become evident that there is no area for us to live in other than our own motherland. Therefore, we

must join hands in a bid to build a prosperous country for the benefit of both the people and the region.

[Truong Ba Can] On behalf of the CONG GIAO VA DAN TOC readership and the Catholic compatriots in the city, I wish you, the prime minister, good health so you can continue to lead the country forward.

Official Says Relations With Vatican Improved

*BK2903082194 Hanoi VNA in English 0622 GMT
29 Mar 94*

[Text] Hanoi VNA March 29—The Vietnamese Government officials and the Vatican representatives have reaffirmed the positive results of a Vatican delegation's recent visit to Vietnam, said Mr. Vu Quang, head of the Government Commission for Religious Affairs, in an interview with VIETNAM NEWS AGENCY and the weekly DAI DOAN KET.

After reviewing the activities of the Vatican's delegation, the relationship between the Vietnamese Government and the Vatican, and the issues of common concern, Mr. Quang said that during the visit the two sides exchanged views in the spirit of goodwill, mutual respect and understanding. They both showed their active cooperation to gradually remove obstacles to their bilateral relation.

Both sides also noted that following the visit, the relations between the Vietnamese Government and the Vatican saw a further step of development, Mr Quang added.

Files Reportedly Stolen From Army Archives

*BK2503141294 Hong Kong AFP in English 1337 GMT
25 Mar 94*

[Text] HANOI, March 25 (AFP)—Foreigners have stolen at least 60 confidential files from Vietnamese army archives, the head of the military security protection department Colonel Cao Long Hy said in a report here Friday.

The documents, including secret "internal documents," give details of the history and activities of several branches of the army dating back to their creation, said Hy in an article published in the army's daily newspaper QUAN DOI NHAN DAN. The papers have been taken out of the country by "foreigners" since the beginning of 1993, he said without identifying the culprits.

Observers say this is the first time that such a high-ranking army official has talked publicly of documents being leaked from military archives and taken abroad. The colonel said bad management of the print-works and archives, as well as negligence and the breaking of rules on the protection of military secrets, had contributed to the disappearance of certain files.

He said other documents had also vanished but acknowledged that the reason for their disappearance was not known.

Observers say the files could have been stolen by army employees to be sold later outside the country.

Colonel Hy said the documents had been "deformed, modified and re-written" before being published by "hostile foreign media" organisations, in order to "criticise the 'doi moi' (renovation) policy, to caricature the army's role and to sabotage Vietnam's relations with other countries in the region."

He called on the army to protect internal secrets and redouble its vigilance "in the face of sophisticated enemy manoeuvres and the bad elements of society."

The colonel added that "the enemy takes advantage of diplomatic, economic, humanitarian and tourism activities, to examine Vietnam's... politics, economy, defence and security in order to commit sabotage by establishing contact with reactionary groups based inside the country".

He said the issue of the protection of state and army secrets was a "task which has now become imperative," referring to a 1992 directive on the subject by Vietnam's defence minister.

Conservative elements in Vietnam, especially military officials, have publicly expressed concern that economic and political pressure from the West since the lifting of the US trade embargo last month will destabilize the country.

Ho Chi Minh City Party Holds Midterm Conference

*BK2903063594 Hanoi Voice of Vietnam Network in
Vietnamese 1100 GMT 28 Mar 94*

[Text] The fifth city party organization opened its midterm conference this morning in Ho Chi Minh City with 315 deputies attending.

Comrade Phan Van Khai, member of the party Central Committee Political Bureau and deputy prime minister attended the conference as representatives of the party Central Committee. Also invited to the conference were Comrade Nguyen Van Linh, adviser to the party Central Committee; former members of the party Central Committee Political Bureau and the party Central Committee who are presently living in the city; and former members of the city party committee standing committee.

Comrade Vo Tran Chi, member of the party Central Committee Political Bureau and secretary of the city party committee, delivered the political report of the Ho Chi Minh City Fifth Party Committee's Standing Committee. He evaluated the achievements of the first half-term in the implementation of the resolution of the seventh party congress and the resolution of the fifth city party conference. He also reviewed the shortcomings and

weakness that need to be overcome, and presented the tasks and orientation for the remaining two years of the term.

He also gave an in-depth analysis of the background, and lessons learned from the achievements and shortcomings of the party organization in the past two years. On future duties and tasks, his report pinpointed the major contents, which are namely to promote industrialization and modernization through a rational mechanism, to strengthen external economic ties; to create more favorable conditions for all economic sectors to develop in accordance with the socialist orientation; to develop the dynamic role of science and technology in the city's socioeconomic life; to continue with and be more efficient in social welfare; to improve on weaknesses and deviations by stressing probity and guidance in culture, literature and the arts, press, and publishing activities; to strengthen the effectiveness of state management; to maintain political stability; to further develop mass motivation work; to widen the great national unity

block; to continue the party renovation and rectification; and to push for positive breakthroughs in cadre work.

Government Ships Carrying Smuggled Goods Cited

BK2703161694 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 26 Mar 94

[Text] The Central Market Management Steering Committee held a conference recently to discuss measures to strengthen coordination to fight smuggling on various sea routes between provinces in the northeastern region which include Quang Ninh, Haiphong, Thai Binh, and Nam Ha. Goods smuggling along various sea routes in Vietnam is on the increase, especially in offshore areas. Many high-powered vessels of economic establishments and ships of the armed forces have engaged in transporting smuggled goods. The conference called for efforts to seriously suppress smuggling along these sea routes and to ensure collection of full taxes levied on foreign goods at the border areas.

Cook Islands

Ruling Party Wins Majority in General Election

*BK2503092594 Hong Kong AFP in English 0748 GMT
25 Mar 94*

[Text] RAROTONGA, March 24 (AFP)—The ruling Cook Islands Party (CIP) won general elections in the South Pacific tax haven Thursday, after a bruising campaign marked by allegations of fiscal fraud and wild spending on an Italian-funded hotel project. With 21 of the 25 seats declared in the Legislative Assembly, CIP, led by Prime Minister Sir Geoffrey Henry, held 16, a decline of one compared with the outgoing parliament, while the Democratic Party had three seats and the Alliance two.

The Cooks is one of the world's smallest nations, with 18,500 people spread over one of the largest sea areas in the world. The election was coloured by claims in the New Zealand parliament that the Cook Island's status as a tax haven had been abused, to defraud taxpayers and banks internationally.

The allegations, strongly denied, were made by New Zealand MP Winston Peters, who also charged that some Cooks politicians had received money in secret bank accounts "to encourage (them)...to sell their sovereignty". A hundred million dollars had been defrauded, he said.

For the first time the Cooks had a television station to air the claims and counter-claims, giving the election an air of tension. However veteran local observers said this election was just child's play compared with polls of the 1970s when CIP founder Albert Henry, an uncle of Geoffrey, used money from a US millionaire who had the Cooks' stamp printing franchise, to fly in voters from New Zealand to stuff ballot boxes. Henry won several doubtful elections but was eventually ejected from office in 1978 when found guilty of corruption.

Democratic Party leader Sir Tom Davis, a former doctor with the US National Aeronautics and Space Administration (NASA), took over until 1983 when Geoffrey Henry came to power. Henry, 53, has stamped his personal style on the Cook Islands, and pushed ahead with developing the country's tourist industry with a major airport and building a hotel under the Sheraton badge on Rarotonga, the archipelago's main island. The project has been sharply criticised for gigantic cost overruns and changes of management, as well as a possibly destructive effect on the local environment, threatening a beautiful lagoon.

Elections in the Cooks are for a term of five years, conducted on a first past the post basis. Running with

the elections were referenda on the length of parliamentary office, whether the country should have a native Maori name, which flag to fly and which national anthem to play.

Papua New Guinea

Bougainville Rebels Kill 17 People in Ambush

*BK2503134794 Melbourne Radio Australia in English
0830 GMT 25 Mar 94*

[From the "International Report" program]

[Excerpt] The Papua New Guinea (PNG) Army has sent reinforcements onto the main island of Bougainville where 17 people were massacred in a rebel ambush on Wednesday [23 March]. Among those killed was a six-year-old girl. Richard Pilferman earlier today spoke to PNG correspondent Sean Dorney, who is in Madang with the business delegation:

[Begin recording] [Pilferman] According to reports that have come out of Buin in southern Bougainville, there were two truckloads of people with military escorts and the resistance fighter escorts heading down from the Tabago Care Center, which is basically a refugee camp, to the coast to pick up food supplies, and they were ambushed as they passed through a village on the road. According to these reports, they were fired on from all sides and most of the dead—there are 13 people who've been fighting against the BRA [Bougainville Revolutionary Army]—12 of those members of the resistance forces and one Papua New Guinea soldier. Now the media can't get into Bougainville, knowing the danger of traveling the country with the Queensland investment delegation, and I believe that last night the Papua New Guinea police minister told the delegates the Bougainville crisis was all but over. It would appear that that's not quite true.

[Dorney] The government has been trying to believe that it is all but over and that's what they've been telling everyone for the last few months. In fact, Mr. Wingti on his trip to Australia gave a similar story to Bob Hawke. Six months ago, the government did have the Bougainville rebels pretty well contained in a central Bougainville area in the mountains there. But the pressure's been let off and in recent weeks we've seen a real upsurge in rebel activity on our part of the mainland, in fact, the main road down the east coast now is not safe from Buka right through to (Lomahi,) which is where military headquarters are. For the situation has tumbled well out of control in recent weeks, and the government is going to have to take it very seriously now because there is trouble blowing up in areas that previously were considered quite safe. [passage omitted] [end recording]

